

YOUR TRUST, OUR POWER

ANNUAL REPORT 2020



TRUSTED NOT TO COMPROMISE

About the Cover

For decades our brand has been a symbol of empowerment and world-class expertise amongst our customers across households, industries and infrastructure. This year we complete 67 years of delivering on our promise of powering growth and unleashing our collective potential.

Since 1953, we are trusted not to compromise

Pakistan Cables Limited is regarded as the pioneer within the cable industry owing to its rich heritage, expertise and commitment to deliver world class products and services to its valued customers both at home and abroad.

Pakistan Cables, the country's oldest and most reputable cable manufacturer, was established in 1953 in partnership with British Insulated Callender's Cables (BICC). In the subsequent six decades, the Company earned a reputation as a market leader and premier cable manufacturer in the country. As the only wires and cables manufacturer in Pakistan listed on the Pakistan Stock Exchange, the Company is renowned for its commitment to ethics and business excellence. Between 2010 and 2017, the Company was affiliated with General Cable, a world leader in the cable industry and a Fortune 500 Company headquartered in the United States. In 2017, Pakistan Cables Limited and CTC Global Inc. announced their partnership to produce, distribute, market and sell ACCC® Conductors in Pakistan. Following which in 2018, Pakistan Cables qualified to produce ACCC® Conductors in Pakistan following an intensive qualification process administered by the CTC Global Inc., US at the Company's manufacturing facility in Karachi.

The Company is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified and has had several of its cables type tested by the world renowned KEMA Laboratory in Netherlands. As Pakistan's first company to attain KEMA Gold certification for its Low-Smoke Zero Halogen Power Cables, the Company remains committed to driving quality standards across its product portfolio.

Through its foreign affiliations with leading international cable companies, Pakistan Cables has been able to enhance its technical support, introduce innovative technology in the industry, leverage on management best practices, identify procurement advantages and develop export opportunities.

Today, Pakistan Cables is regarded as a force to reckon with in the local industry, committed to empower all of its stakeholders including business partners, customers, employees and communities it serves.



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YOUR SMILE, OUR POWER

INTRODUCTION



Vision

To be the company of first choice for customers and partners for wires and cables and other engineering products.



Mission

- 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.
- 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 options to participate in other profitable businesses.



Code of Ethics



HONESTY:

It is the policy of Pakistan Cables Limited (the “**Company**”) to conduct its business with honesty and integrity and be ethical in its dealings while showing respect for the interest of those with whom it has a relationship.



COMPLIANCE:

The Company is committed to comply with all laws and regulations. The Board of Directors and the Management team are expected to familiarize themselves with prevailing laws and regulations governing their individual areas of responsibility and not to transgress them. If in doubt they are expected to seek advice. The Company believes in fair competition and supports appropriate competition laws.



POLITICAL ACTIVITIES:

The Company does not support any political party nor does it contribute funds to groups whose activities promote party interests. The Company will promote its legitimate business interests through trade associations.



QUALITY AND SAFETY:

The Company is committed to provide products which consistently offer value in terms of price and quality and are safe for their intended use, in addition to satisfying customer needs and expectations.



ENVIRONMENT:

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



CORPORATE SOCIAL RESPONSIBILITY:

The Company recognizes its social responsibility and will contribute to community activities as a good corporate citizen.



TRANSPARENCY:

The Company is committed, and fully adheres, to the reliability of financial reporting and transparent transactions.



EMPLOYEES AS ASSETS:

The Company is committed to recruit and promote employees on merit and provide a safe and healthy working conditions for all its employees. The Company firmly believes in maintaining good communications with its employees.

Code of Conduct

OBJECTIVE

This Code of Conduct is intended to set out appropriate standards of conduct and behavior by the Directors and employees (collectively referred to as **“Associates”**) of Pakistan Cables Limited (the **“Company”**). The Associates are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

General Principles

- Associates must recognize that their primary responsibility is to the Company as a whole. Associates of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
- Associates must not take advantage of their position for personal gain, the gain of their affiliates or to cause detriment to the Company.
- Associates have an obligation to comply with the spirit, as well as the letter, of the law and with the principles of this Code.
- The Company views breaches of this Code as serious misconduct. Associates who have become aware of any breaches of this Code must report the matter immediately to senior management personnel and/or a Director, as may be appropriate.
- Any Associate who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.
- Associates who breach the policies outlined in the Code may be subject to the disciplinary action including, in the case of serious breaches, dismissal.

Honesty and Integrity

Associates have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their association with the Company.

As such, each Associate shall observe the highest standards of honesty, integrity, ethical and law-abiding behavior when performing their duties and dealing with other Associates, shareholders, customers, suppliers, or other advisers of the Company.

Confidentiality

Information received by Associates in the course of the exercise of their duties remains the property of the Company and must be kept confidential at all times. Confidential information may only be released or used with specific permission from the Company and/or where such disclosure is:

- required to be disclosed to another Associate in the normal conduct of the Company's operations;
- authorized by the Board of Directors;
- required by law or a regulatory body.

An Associate's obligations in respect of confidentiality shall continue after an Associate's association with the Company is concluded.

Conflict of Interest

A conflict of interest arises when a personal, professional or business interest of an Associate are potentially at odds with the best interests of the Company.

In the event that such a conflict arises, or is perceived to arise, the matter shall at all times be resolved in favor of the Company. Moreover, all Associates must:

- Declare, to their reporting manager and the HR Head, any potential, actual or perceived conflicts of interest that exist at the time of commencing their association with the Company;
- Declare, to their reporting manager and the HR Head, any potential, actual or perceived conflicts of interest that arise, or are likely to arise, during the course of their association with the Company; and

- Avoid being placed in a situation where there is, or potentially may be, any potential, actual or perceived conflicts of interest.

Gifts, Hospitality and Entertainment

Accepting and offering of gifts, hospitality or entertainment should not unduly influence business decision-making or cause others to perceive that there has been undue influence. Insofar, Associates must exercise the utmost care when offering or accepting gifts, hospitality or entertainment to protect the reputation of the Company against allegations of improper behavior and to ensure that anti-corruption laws are not breached. Such activities shall at all times be carried out in accordance with prevailing laws and Company policies.

Corrupt Conduct

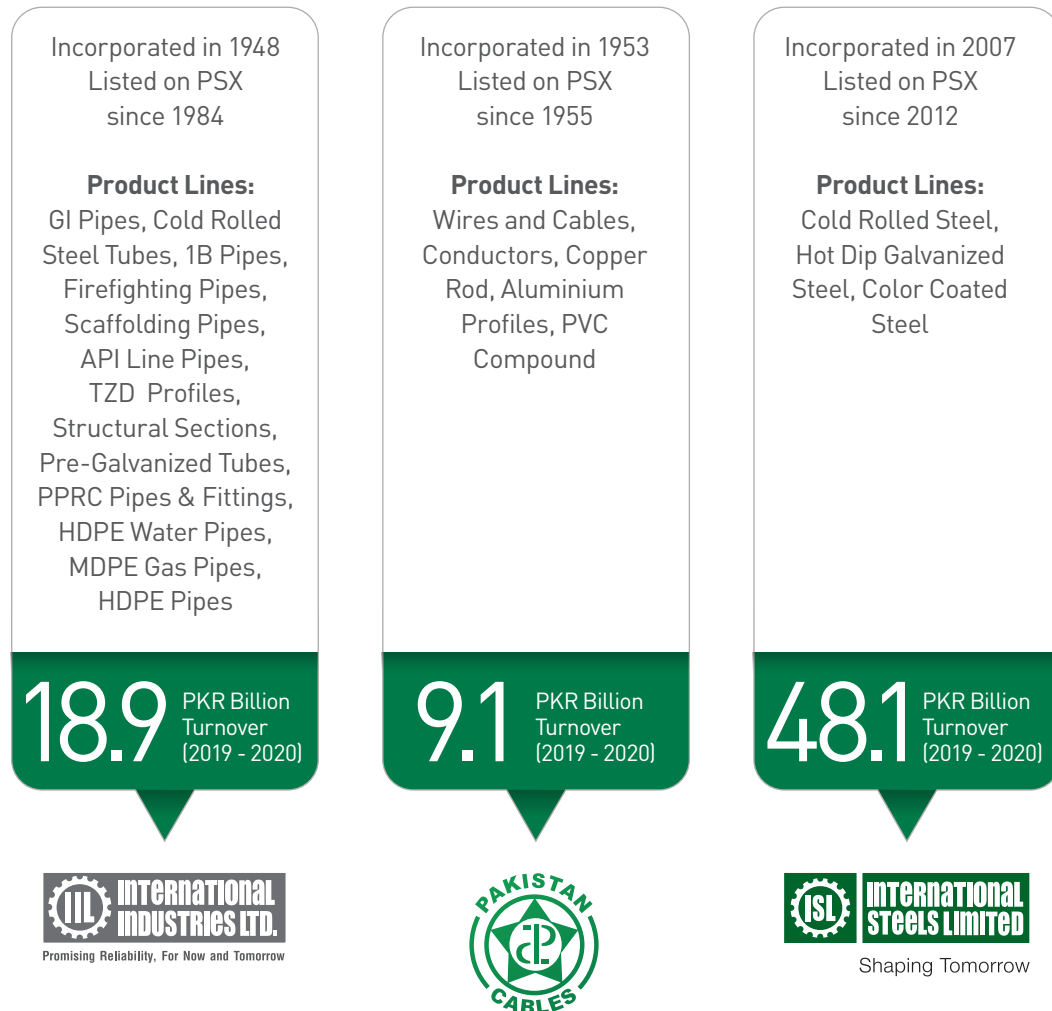
Corrupt conduct, which includes but is not limited to bribery, blackmail, unauthorized use of confidential information, fraud, theft, will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any Associate participating in corrupt conduct. In addition, the Company will report any instances of corrupt conduct of Associates to the appropriate governmental authorities, which may result in an Associate facing legal prosecution.

Stakeholders

The Company recognizes its multiple stakeholders, including its shareholders, customer, suppliers, bankers/lenders, media, regulators, employees, the community etc. All Associates shall ensure appropriate stakeholder engagement in a manner that fosters good relations in accordance with prevailing law, Company policies and industry good practices.

Group Profile

The late Mr. Amir S. Chinoy laid the foundation of the Chinoy group of companies, which includes number of entities. Some of the leading companies include:



Group Facts:

Over PKR



Strategic Objectives

The Company's key strategic objectives comprise contributing to the well-being of its customers by ensuring provision of quality products that consistently meet all relevant international and local standards. The Company is committed to increasing stakeholder value through continuous improvement of its production processes and the variety of products that it offers, while ensuring optimum efficiency. In addition to this, the Company is focused on streamlining its human resource policies, improving its standard operational procedures and creating the right working environment for its employees health and safety. Annual financial targets

relating to profitability and capital structure are monitored to ensure that the Company generates value for its shareholders. The Company's corporate strategy concentrates on remaining competitive in the wires and cables industry through continued focus on consumer needs and maintenance of product quality in addition to consistently working on after sale service, research and development, cost economization and efficiency improvements. The Company is also aware that it must make a positive impact on society and is therefore committed to remaining a good corporate citizen.



Management Objectives and Critical Performance Indicators

Objectives	CPI	Future Relevance
Customer Satisfaction: The Company values its customers and their loyalty tremendously; as such, the Company continually works towards enhancing the satisfaction of its customers by extending credit facilities, trade discounts, loyalty club rewards and more. The Company has continual testing mechanisms in place to ensure the quality of its products, and efficient after-sales procedures, to keep our customers satisfied.	Product turnover Market share Geographical presence	Yes
Maintaining Standard of Excellence: The Company is geared toward consistently meeting international standards by ensuring selection of the world's best quality raw materials, world-class workmanship and a rigid quality assurance and control regime.	Technological advancements Stringent internal testing mechanisms Certifications Accreditations	Yes
Varied Product Portfolio: With ever-evolving customer needs, the Company is focused on research and development to ensure that it is offering up to date with evolving trends in the industry. Our products consistently conform to the relevant international standards in order to ensure smooth flow of electricity, better performance of electrical appliances and safety to life and property.	Product range Market research	Yes
Enhancing Employee Satisfaction: Our employees are our most valued resource. The Company endeavors to provide a nurturing, friendly, supportive and equal opportunity work environment, with significant growth potential and training opportunities	Training opportunities Appropriate evaluation processes Sound policies and procedures	Yes
Maintaining Shareholder Satisfaction: The Company is cognizant of the trust that is placed in the Company by its shareholders. It is a priority for the Company to protect the interest of its shareholders and maximize their return by adequate dividend payouts.	Appropriate return on investment Timely addressing of share transactions	Yes

Objectives	CPI	Future Relevance
Regulatory Compliance: The Company prides itself on being a good corporate citizen, with timely, and transparent, disclosures to its regulators and operating in compliance with effective laws and policies of the Government of Pakistan.	Adherence to legal requirements Timely fulfillment of compliance processes	Yes
Sustainability: The Company continually seeks to operate in an efficient and environmentally friendly manner, working to reduce its carbon footprint. CSR projects are developed and implemented by the Company for the benefit of the community at large.	Community development Occupational safety and health	Yes



Company Information

BOARD OF DIRECTORS

Mr. Mustapha A. Chinoy	Non-Independent Non-Executive Director	Chairman
Mr. Akbar Ali Pesnani	Independent Director	
Mr. Mazhar Valjee	Independent Director	
Mr. Roderick Macdonald	Non-Independent Non-Executive Director	
Mr. Saquib H. Shirazi	Non-Independent Non-Executive Director	
Ms. Spenta Kandawalla	Independent Director	
Mr. Syed Muhammad Tariq Huda	Non-Independent Non-Executive Director	
Mr. Kamal A. Chinoy	Executive Director	
Mr. Fahd Kamal Chinoy	Executive Director	Chief Executive Officer

BOARD AUDIT COMMITTEE

Mr. Akbar Ali Pesnani	Chair
Mr. Roderick Macdonald	Member
Mr. Kamal A. Chinoy	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ms. Spenta Kandawalla	Chair
Mr. Mazhar Valjee	Member
Mr. Roderick Macdonald	Member
Mr. Fahd Kamal Chinoy	Member

COMPANY SECRETARY

Ms. Nazifa Khan

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISOR

Mohammad Zeeshan Khan
c/o Orr, Dignam & Co.

TAX ADVISORS

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

BANKERS

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

Website: www.pakistancables.com

E-store: www.pakistancables-estore.com

SHARE REGISTRAR

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Block-6, P.E.C.H.S.,
Karachi - 75400
Tel: +92 -21-34168270
Fax: +92-21-34168271
Email: secretariat@thk.com.pk

REGISTERED OFFICE

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Email: info@pakistancables.com

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Tel: +92 -42- 35785611-4
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Peshawar

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Tambwan More,
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Peshawar.
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Fax: +92-91-5846314
Email: peshawar@pakistancables.com

Muzaffarabad

50-B, Commercial Area,
Upper Chattar,
Muzaffarabad.
Tel: +92 -5822-432088
Fax: +92-5822-432092
Email: muzaffarabad@pakistancables.com

Geographical Presence

The largest Dealer Network in

190+

towns and cities accross
Pakistan. Karachi to Skardu
and beyond.

- ★ Head Office
- ▲ Regional Offices
- Branch Offices
- 🏭 Factory





Nature of Business

Introduction

The Company is a pioneer in Pakistan's wires and cables industry. It is principally engaged in the manufacture of conductors, wires and cables for transmission and distribution of electricity since 1953. In 1984, the Company started extrusion of 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 and cables because 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.

Industry

Pakistan Cables is the only listed company in the cable industry, which comprises of a few large players, a handful of small localized producers and a growing percentage of imports. The prices of cables, copper rod, conductors 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 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. The Company has established itself as a key player in the manufacturing sector with more than 67 years of experience in the wire and cables business. Its business is driven by growth prospects and activity in the end markets where its products are used, which are primarily in projects of all kinds, including infrastructure, facilities, factories, commercial and residential construction. Cable and conductors are also used in the transmission and distribution of electricity by the country's utility companies. An extensive array of world-class quality wires and cables is manufactured by the Company to meet the diverse, dynamic and time-sensitive needs of its customers.

Business Model

- i) To continue to generate market awareness of the brand – Pakistan Cables – and educate the consumer about the benefits of cables and wires that are of the highest quality thereby remaining the customers' first preference;
- ii) To identify profitable markets and optimal product mix and tailor our product offerings accordingly;
- iii) To ensure that products are made easily available to the customer through our network of dealers, distributors, stockists and warehouses, and by providing optimal direct sales coverage (where relevant); and
- iv) To penetrate targeted markets through cost benefit analysis and customized service offering.
- v) To explore opportunities for enhancing exports and growing the contribution of exports in the Company's overall revenue mix.
- vi) To continuously identify evolving needs of customers and bring new products to market accordingly.

Legal Environment

The Company operates under the Companies Act 2017, which has recently replaced the Companies Ordinance 1984 and the Listed Companies (Code of Corporate Governance) Regulations 2019. Insofar it is registered and licensed by the Securities and Exchange Commission of Pakistan. The Company is also listed on the Pakistan Stock Exchange and is regulated by the PSX Rule Book and all circulars/notifications issued thereunder. The Company's trade network covers over 190 cities and towns across Pakistan, including warehouses and power cable stockists in major cities of the country. Over the year, the company successfully won large orders from the projects segment in several areas including ports and shipping, armed forces, housing societies, textile and builders and developers. Moreover, the Company was successful in winning selective orders from utility companies and won export orders from various customers.

A close-up photograph of several large, multi-stranded copper cables or wires. The cables are arranged diagonally across the frame, with some in sharp focus and others blurred in the background. The copper has a warm, reddish-brown hue and a slightly textured surface. The lighting creates highlights and shadows that emphasize the individual strands within the cables.

Product Portfolio

We offer a versatile portfolio of wires and cables, conductors, aluminum sections for architectural applications, copper rod and PVC compound. The continued growth of our businesses is a testament of our well-rooted, far-reaching success.

Wires and Cables

Pakistan Cables Limited manufactures a broad range of wires and cables that conform to national and international standards. Wires and cables are manufactured with LME registered "A" grade copper cathodes which results in multiple benefits to our end users such as:

- Lower electricity billing
- Optimum efficiency of appliances
- Safety to life and property
- Better energy utilization

GENERAL WIRES AND CABLES

We broadly categorize available general wires and cables as follows:

- Single core cables range from 1mm² to 10mm²
- Large single core cables from 16mm² to 70mm²
- Multi-core cables from 1mm² to 10mm²
- Flexible multi-core cables from 1mm² to 4mm²

In addition, customized requests are regularly facilitated to meet customers' specific requirements.

MEDIUM VOLTAGE (MV) AND LOW VOLTAGE (LV) CABLES

We manufacture Medium Voltage (MV) cables up to 15 kV and Low Voltage (LV) power cables up to 3.3 kV. We can supply various types of insulation required PVC/XLPE/LSZH where relevant and customized to customers' preferences. All cables manufactured by Pakistan Cables Limited are subjected to rigorous in-house quality checks.

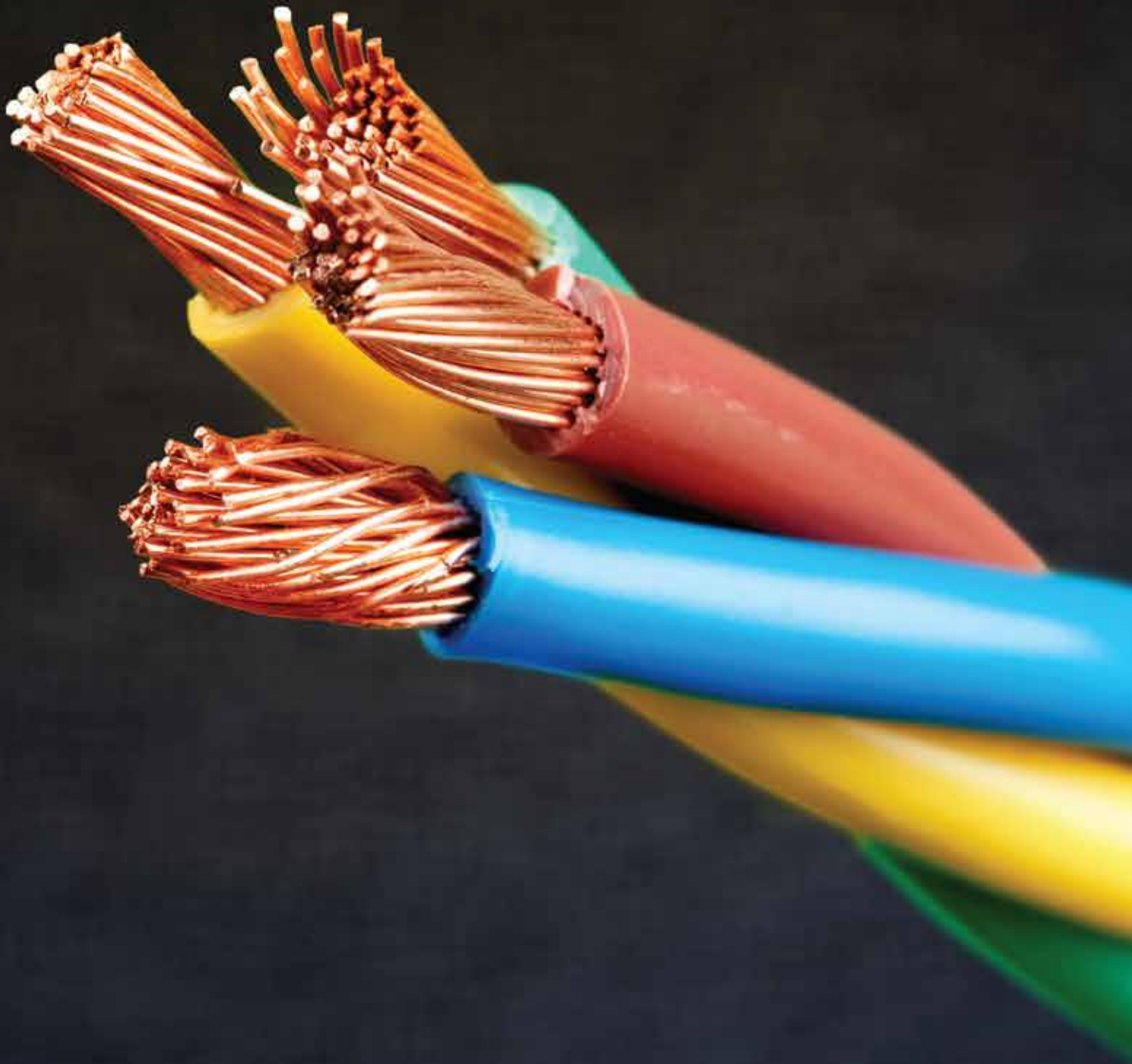
FIRE RETARDANT CABLES

We also supply cables for specialized needs with greater flame propagation ability and better protection against fire. These cables use specialized materials such as Low Smoke Zero Halogen (LSZH) insulation in combination with various constructions and compounds. To our knowledge, Pakistan Cables Limited is the only company in Pakistan to have specialized in-house flame propagation testing capability, which gives us a competitive edge. Furthermore, Pakistan Cables is also the first wires and cable manufacturer in Pakistan to provide KEMA certified LSZH Power Cables.

OTHER WIRES AND CABLES

We also manufacture various other types of wires and cables products to meet versatile needs of our customers, which include but are not limited to:

- Indoor Telephone / Intercom Cables
- Control Cables (PVC and XLPE insulated)
- Screened Power and Control Cables
- Auto Cables
- Coaxial Cables
- Solar DC Cables



Conductors

With growing power demands in Pakistan, the use of overhead conductors for power transmission has increased. Pakistan Cables Limited provides high quality overhead conductors to Pakistan's utility companies. These include Aluminium Conductor Composite Core (ACCC®), Aluminium Conductor Steel Reinforced (ACSR®) for various voltage grade, All Aluminium Conductor (AAC®), Plain Annealed Copper Conductor (PACC®) and Hard Drawn Bare Conductor (HDBC®).

Pakistan Cables Limited is also the only supplier in Pakistan to offer High Tension Low Sag ACCC® (Aluminium Conductor Composite Core), which is a state of the art product that provides various benefits including reduced line losses and higher ampacity. While this is a proven technology across the world with over 67,631 kilometers installed till 2018, this product has recently been introduced for the first time by Pakistan Cables Limited in Pakistan and is expected to result in considerable benefits to the country's overloaded transmission infrastructure. This product is offered in collaboration with CTC Global Inc., which is a US headquartered market leader in the technology.

There is a growing awareness of this technology within Pakistan and NTDC and various distribution companies have rolled out plans to enhance their transmission and distribution networks with ACCC®, particularly following the successful completion two projects for NTDC and MEPCO, respectively.

During 2018, the company completed the qualification process for producing ACCC® Conductors at its manufacturing facility in Karachi which was conducted under the supervision of a team of experts from CTC Global Inc., US.





ALUMEX® sections are extruded from prime quality imported AA 6063 billets. This is the internationally recommended Aluminum grade for architectural and structural applications. These sections are anodized on a fully automated plant. Anodized sections are offered in 4 different colors, while powder coated sections are available in any imaginable color to match the taste of the customer.

For all powder-coated sections, only polyester based powders are used, which are manufactured and supplied by reputable companies. These coatings are thermosetting types, especially designed for 'façade' use. They can withstand the rigors of ultra violet rays in the atmosphere.

APPLICATION:

ALUMEX® sections, whether anodized or powder-coated, are suitable for a wide range of applications:

- Structural Glazing and Curtain Walls
- Double Glazed Doors and Windows
- Hinged Doors and Windows
- Glass Doors/Swing Doors
- Double Glazed Sliding Doors/Windows
- Fixed Glazing/Shop Fronts





Copper Rod

Since 1996, we have been manufacturing 8mm Copper Rod that uses only LME registered "A" grade copper cathodes. Pakistan Cables is the largest importer of copper cathode in Pakistan, far surpassing any other importer. The Company has a policy to only use the highest quality copper in its products.

PVC Compounds

Since 2008, Pakistan Cables Limited has been producing flexible PVC compounds for insulation and sheathing of electric cables, and other flexible PVC compounds for external sale at its exclusive PVC Compound Plant.

Pakistan Cables Limited uses the most sophisticated machinery, including automated weighing and dosing systems for each component of the various formulations. The plant also has a polymers laboratory to enable the development of customer specific formulations.



Quality Assurance

The Company is committed to strive for product quality, excellent customer service, innovation and efficiencies. The Company reiterates its commitment to consistently deliver enhanced value to its customers, through continual improvement of its product and processes.

The Company satisfactorily complies with all the requirements of the ISO 9001:2015 and ISO 45001:2018 for all its products as certified by BVQI, UK. It is also ISO 14001:2015 certified which is the Environmental Management System. 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 that check process variables at every step of the manufacturing process, to ensure that all our final products are in compliance with the relevant international specifications.

The Company is the first 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 laboratory in Netherlands. In addition to this, the Company's products are also PSQCA certified, ERDA (Electrical Research and Development Association), India, TUV SUD PSB Pte. Ltd., Singapore, and have also been successfully type tested in Pakistan's well reputed High Voltage and Short Circuit Laboratory in Rawat. Moreover, the Company is the only Pakistani

manufacturer approved by Oman's regulatory authority to sell into the Oman market.

To the best of our knowledge, the Company is the only cable manufacturer in Pakistan that has a state-of-the-art Fire Test laboratory, which has the facility to perform the following tests, required for Low Smoke Zero Halogen (LSZH) Fire Retardant cables:

- Test for vertical flame propagation for a single insulated wire or cable in accordance with IEC 60332-1-2;
- Test for Vertical flame spread of vertically-mounted bunched wires or cables in accordance with IEC 60332-3, Category A, B, C and D;
- Smoke density test in accordance with IEC 61034-1 and 2;
- Test on gases evolved during the combustion of electric cables; and
- Halogen, acid gas emission test as per IEC 60754-1 and 2.



POWERING THE NATION TO A SAFER FUTURE!

Pakistan Cables is proud to be the sole supplier for the **first Isolation Hospital** constructed in Islamabad



The IHITC is a 250-bed state-of-the-art hospital that is built to treat the COVID-19 patients exclusively. As the brand of empowerment, Pakistan Cables, is proud to be the trusted partner on our nation's journey to a safer future.



TRUSTED NOT TO COMPROMISE

YOUR SUPPORT, OUR POWER

GOVERNANCE



Directors' Profile



Mr. Mustapha A. Chinoy - Chairman

Non-Independent Non-Executive Director

holds a B.Sc in Economics from the Wharton School of Finance, University of Pennsylvania, USA with a major in Industrial Management and Marketing.

Mr. Mustapha Chinoy is currently the Chairman of Pakistan Cables Limited and International Industries Limited. He is on the Board of International Steels Limited, Travel Solutions (Pvt.) Limited, Global E-Commerce Services (Pvt.) Limited and Creative Bench (Pvt.) Limited. Additionally, he is the Chief Executive Officer of Intermark (Pvt.) Limited.

Mr. Mustapha Chinoy has previously served on the Board of Union Bank Limited and was Chairman of Security Papers Limited.

Mr. Mustapha Chinoy has been on the Board of Pakistan Cables Limited since January 1, 1986.



Mr. Akbar Ali Pesnani

Independent Director

is an MBA and fellow member of both the Institute of Chartered Accountants and Institute of Cost and Management Accountants of Pakistan. He has served as Chairman Gwadar Port and Gwadar Port Implementation Authority from 2004 to 2006. Mr. Pesnani has been associated with the Aga Khan Development Network at senior levels for over 43 years.

Presently he is the Chairman of Cherat Packaging Limited and the Aga Khan Cultural Service Pakistan. He is also a Director on the Board of Cherat Cement Company Limited, Jubilee General Insurance Company Limited and Agha Steel Limited.

Mr. Pesnani has been on the Board of Pakistan Cables Limited since May 5, 2020.



Mr. Mazhar Valjee

Independent Director

Mazhar Valjee retired as CEO of Thal Limited in July 2019 after having served over two decades on the Board of (the formerly) Thal Jute Mills Limited and Thal Limited as Executive Director, CEO and non-executive Director. He has also served as CEO of Indus Motor Company Limited, Pakistan Jute and Synthetics Limited, Habib Metro Pakistan (Pvt) Limited, Makro Habib Pakistan Limited and has headed several other businesses of the House of Habib (HOH). Outside HOH, he has served as CEO of Schneider Electric Pakistan (former Areva T&D Pakistan).

Mazhar has been an active member of advisory and professional bodies that include the Indigenisation Committee of the Engineering Development Board, Energy committee of the OICCI, the Pakistan Jute Mills Association, the Pakistan German Business Forum, Pakistan France Business Alliance, AIESEC, Young Presidents' Organization and Deaf Reach. He acquired business education from the IBA, Karachi

and executive education from the Stanford-NUS program and the Yale School of Management.

Mr. Valjee has been on the Board of Pakistan Cables Limited since May 5, 2020.



Mr. Roderick Macdonald

Non-Independent Non-Executive Director

is a consultant with CORE Corporate Consulting LLC. Prior to this Mr. Macdonald spent 12 years as Executive Vice President of Global Sales and Business Development for General Cable Corporation. 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 President of Alflex Corporation. He began his career in military and government service. He served 25 years as an officer in the British Army, Royal Engineers, which included leading soldiers in combat in Northern Island and the Falkland Islands. He ended his distinguished career as Brigadier.

Mr. Macdonald is a graduate of the Royal Military Academy Sandhurst. He holds a Bachelor of Science degree in Mechanical Engineering from the Royal Military College of Science and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Institute of Mechanical Engineers and a registered (Chartered) engineer in the UK. He was made a Member of the Order of the British Empire, Military Division, (MBE) in the UK in 1983.

Mr. Macdonald has been on the Board of Pakistan Cables Limited since November 23, 2010



Mr. Saquib H. Shirazi

Non-Independent Non-Executive Director

is an MBA from the Harvard Business School. He is presently the Chief Executive Officer of Atlas Honda Limited and is also on the Board of Atlas Engineering Limited, Atlas Autos (Pvt.) Limited, Atlas Hitec (Pvt.) Limited, Atlas DID (Pvt.) Limited, Atlas Power Limited, Atlas Energy Limited, Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Venture Limited (UAE) and Atlas Global FZE (UAE).

Previously, Mr. Shirazi has served on the Boards of Sui Southern, Pakistan Petroleum, ISGC and Cherat Paper. He has also formerly served as a Trustee on the Board of Lahore University of Management Sciences (LUMS) and currently sits on the Advisory Council of the NUST University. He was President of Harvard Business School's Global Alumni Board for the years 2007-2009. At present he serves as the Chairman of the Pakistan Business Council.

Mr. Shirazi has been on the Board of Pakistan Cables Limited since May 8, 2008.



Ms. Spenta Captain Kandawalla

Independent Director

is the Chairperson and co-owner of Captain-PQ Chemical Industries, the leading manufacturer of silicates in Pakistan. She is currently on the Board of Standard Chartered Bank Pakistan, where she serves as an Independent Non-Executive Director and Chair of the Human Resource and Remuneration Committee. Previously she has served as an Independent Director on the Boards of State Life Insurance Corporation and Engro Foods Ltd. In each case, she has been the first and only woman on these Boards.

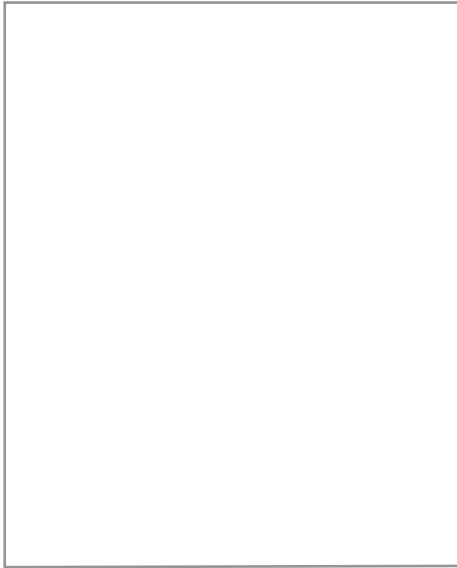
Ms. Kandawalla is a Certified Board Director from the Pakistan Institute of Corporate Governance and a member of Women Corporate Directors, USA.

She is an active member of civil society. She is Founding Trustee of The i-Care Foundation, Pakistan's first Donor Advised Fund and Managing Trustee of her family foundation, the Captain Foundation. She is Chairperson of Patients Aid Foundation- a public-private partnership with Jinnah Post Graduate Medical Centre. In addition, she serves on the Board of Layton Rehmatulla Benevolent

Trust a nationwide network of free eye hospitals which have to date treated over 40 million patients free of charge. Ms. Kandawalla is also on the Board of the BMH Parsi General Hospital Trust Fund and the Liaquat National Hospital and Medical College. She is also a Founding Member of the Business Leadership Council of Wellesley College, USA. Chair, Alumnae Admissions Representatives for Pakistan, Wellesley College and Member of the Presidents' Advisory Board on Global Education, Wellesley College. She has also served on the Advisory Board, Pakistan Scholars Program, Woodrow Wilson International Center, USA.

Ms. Kandawalla holds a B.A (Honours) in Political Science and Economics from Wellesley College (U.S.A) and has completed courses at the MIT Sloan School of Management.

Ms. Kandawalla has been on the Board of Pakistan Cables Limited since April 30, 2019.



Mr. Syed Muhammad Tariq Huda

Non-Independent Non-Executive Director

Mr. Huda is Additional Secretary- Ministry of Commerce and Textile (BS-21), the Chairman of State Life Insurance Corporation of Pakistan and the acting Chief Executive Officer of the National Insurance Company Limited. In May 2020 he has been posted as Member Customs (Operations) as well.

Mr. Huda has been on the Board of Pakistan Cables Limited since May 5, 2020.



Mr. Kamal A. Chinoy

Executive Director

is a graduate of Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Currently he is the Chairman of Jubilee Life Insurance Co. and Director of International Steels Limited and International Industries Limited.

He is a 'Certified Director' from the Pakistan Institute of Corporate Governance. He has served as Chairman of the Aga Khan Foundation (Pakistan) and also as a Director of Pakistan Centre of Philanthropy, Atlas Insurance Limited, Pakistan Security Printing Corporation, NBP Fullerton Asset Management Limited, Atlas Battery Limited, ICI Pakistan Limited, Askari Bank Limited, First International Investment Bank (an Amex JV), and Atlas Power Limited. He has also been a member of the Board of Governors of Army Burn Hall Institutions.

Mr. Kamal Chinoy is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP). He has also served on the Admissions Committee of Aga Khan University and the Alumni Admissions Committee for the University of Pennsylvania.

He has been a member of the Pakistan-UK Forum for Investment and Technology (under the Board of Investment, GoP) and the Experts Advisory Group for Engineering Goods for the Fifth Five Year Plan for the Government of Pakistan

Mr. Kamal Chinoy has been on the Board of Pakistan Cables Limited since May 31, 1992.



Mr. Fahd Kamal Chinoy - Chief Executive Officer Executive Director

is an MBA from INSEAD (France) and has a Bachelor of Arts in Economics and Political Science from the University of Pennsylvania, USA. Prior to becoming CEO, he has headed various departments including Sales, Marketing, Supply Chain and Information Technology at Pakistan Cables Limited.

Mr. Fahd Chinoy has previously served in the banking industry, having worked with TD Securities in New York and Toronto as an Associate in various departments including Loan Syndications and Corporate Banking. He is currently also a Director of Focus Humanitarian Assistance Pakistan and the Amir Sultan Chinoy Foundation and is a certified director from the Pakistan Institute of Corporate Governance

Mr. Fahd Chinoy has been on the Board of Pakistan Cables Limited since May 5, 2017.

Committees of the Board

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Composition

Ms. Spenta Kandawalla	Chair
Mr. Mazhar Valjee	Member
Mr. Roderick Macdonald	Member
Mr. Fahd Kamal Chinoy	Member

Number Of Meetings

Two HRRC meetings were held in the year.

Attendance

Ms. Spenta Kandawalla (appointed on May 5, 2020)	0/0
Mr. Mazhar Valjee (appointed on May 5, 2020)	0/0
Mr. Roderick Macdonald	2/2
Mr. Fahd Kamal Chinoy (appointed on May 5, 2020)	0/0
Mr. Mustapha A. Chinoy (term completed on May 4, 2020)	1/2
Ms. Sadia Khan (resigned on March 3, 2020)	1/2
Mr. Saquib H. Shirazi (term completed on May 4, 2020)	1/2
Mr. Kamal A. Chinoy (term completed on May 4, 2020)	0/2

TERMS OF REFERENCE

Objectives

The Human Resource and Remuneration Committee (HRRC) is a standing committee of the Board of Directors (BoD) mandated to consider and make recommendations to the BoD on the Company's major human resource management policies, strategies and plans.

Composition

(a) Members

- The HRRC shall comprise of at least three Directors;
- Majority of these Directors shall be non-executive Directors of whom at least one member shall be an independent Director;
- The Chief Executive Officer (CEO) may be included as a member.

(b) HRRC Chair

- The Chair will be an independent Director;
- While the CEO may be a member of the HRRC, he shall not be the Chair;
- In the absence of the Chair, the remaining members may appoint another member as acting Chair for the meeting.

(c) Secretary

- The Head of HR or the Company Secretary, will act as Secretary to the HRRC as decided by the HRRC.

Tenure

- (a) The tenure of the HRRC will be the same as the tenure of the BoD.
- (b) The terms of reference of the HRRC will be reviewed at least every three years.

Rules

(a) Quorum:

- The quorum will be two members.

(b) Frequency of Meetings:

- The HRRC shall meet at least once in each financial year and may meet more often as desired.

(c) Notice:

- The notice of the meeting will be circulated by the Secretary HRRC preferably one week prior to the date of the meeting.

(d) Agenda:

- The agenda of the meeting shall be developed by the Management in consultation with the HRRC Chair.

(e) Documents:

- To the extent possible, notes and other related documents shall be provided for each agenda item. Efforts will be made to provide this data to the members one week prior to the meeting.

(f) Minutes:

- Minutes of the meetings will be made by the Secretary and circulated to the members within seven days of the meeting, or prior to the subsequent BoD meeting, whichever is earlier.

(g) Attendance:

- The Committee may invite any person to attend meetings;
- The Secretary shall get the signatures of each member attending the meeting and keep a record of the same;
- The CEO, if a member of the HRRC, shall not be a part of the proceedings where his/her compensation/performance is being discussed/evaluated.

(h) Reports:

- The HRRC shall present the minutes, including findings and recommendations of the HRRC meetings to the BoD;
- The HRRC shall provide all and any related information required by the BoD.

(i) Amendments:

- The BoD may at any time amend these regulations or revoke any powers granted by it to the HRRC.

(j) Records:

- All documentation related to the holdings, proceedings and recommendations of the HRRC shall be stored with the Secretary.

Duties and Responsibilities

- (a) The HRRC's recommendations will require approval of the BoD to be implemented.

- (b) The HRRC will:

- Assess organization structure;
- Recommend to the BoD succession planning for business critical positions, including that of the CEO;
- Recommend to the BoD, for consideration and approval, a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management);
- Undertake, annually, a formal process of evaluation of performance of the BoD as a whole and its committees either directly or by engaging external independent consultant and if a consultant is appointed, a statement to that effect shall be made in the Directors' report disclosing name, qualifications and major terms of appointment;
- Recommend human resource management policies to the BoD;
- Recommend to the BoD the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Consider and approve, on recommendations of the Chief Executive Officer, the selection, evaluation, development, compensation (including retirement benefits) of for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the HRRC and a statement shall be made by them as to whether they have any other connection with the Company.

BOARD AUDIT COMMITTEE REPORT

Composition

The Board Audit Committee of the Pakistan Cables Limited (the "**Company**") Board of Directors comprises of three Directors. The Chair is an Independent Non-Executive Director. The Chair of the Board Audit Committee is financially literate (as defined within clause 27 (iii) of the Listed Companies (Code of Corporate Governance) Regulations, 2019) and the Board Audit Committee as a whole possesses significant economic, financial and business acumen.

In May 2020, the term of the Board of Directors and the Board Audit Committee expired and upon the reconstitution of the Board of Directors, Mr. Akbar Pesnani joined the Board Audit Committee as Chair in place of the outgoing Chair Ms. Sadia Khan, and Mr. Kamal Chinoy replaced outgoing member Mr. Haroun Rashid as a new member of the Board Audit Committee. Mr. Roderick Macdonald continued to serve as a member of the Board Audit Committee.

Meetings and attendance

Four Board Audit Committee meetings were held during the financial year ended June 30, 2020. Details of attendance of each member of the Board Audit Committee meetings are as follows:

Ms. Sadia Khan	2/3 meetings
(resigned on March 3, 2020)	
Mr. Haroun Rashid	4/4 meetings
Mr. Roderick Macdonald	4/4 meetings

On the invitation of the Board Audit Committee Chair, the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit were present in all the Board Audit Committee meetings whereas other senior Management personnel as well as the representatives of the External Auditors, were also invited to attend the meetings on requirement.

Financial statements

The Board Audit Committee has concluded its annual review of the Company's performance, financial position, and cash flows during 2019-20, and reports that:

(a) The financial statements of the Company for the year ended June 30, 2020 have been prepared on a going concern basis under requirements of the Companies

Act 2017, incorporating the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, International Financial Reporting Standards and other applicable regulations.

- (b) Reviewed and discussed the significant changes in accounting principles, financial reporting policies with Management and External Auditors.
- (c) Reviewed the significant issues related to the financial statements, made recommendations to address these issues and followed up the actions taken by Management.
- (d) All related party transactions have been reviewed by the Board Audit Committee prior to approval by the Board of Directors.
- (e) These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equities of the Company for the year under review.
- (f) The External Auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by the Securities and Exchange Commission of Pakistan (SECP).
- (g) The Chief Executive Officer, one Director and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by Chairman and Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- (h) Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with Management processes and adequate for shareholder needs.

- (i) The Company has issued a Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 which has also been reviewed and certified by the External Auditors of the Company.
- (j) Understanding and compliance with the codes and policies of the Company has been affirmed by the members of the Board of Directors, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- (k) Trading and holding of Company's shares by Directors and Executives or their spouses and minor children were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board of Directors. All such holdings have been disclosed in the Pattern of Shareholdings. The annual Secretarial Compliance Certificates are being filed regularly within the stipulated time.
- (l) Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive Officer and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

Risk Management and Internal Controls

- (a) The review was to ensure that the internal control system including financial and operational controls; accounting system and reporting structure are reasonably adequate and effective.
- (b) The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the Management across all major functions of the Company and presented to the Board Audit Committee for information and review.

- (c) The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.
- (d) The Board Audit Committee has met regularly with Management to understand the risks that the Company faces and has reviewed the management of Company's material business, to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.

Internal Audit

- (a) The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- (b) The Board Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by the Internal Audit function.
- (c) The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Board Audit Committee. The Board Audit Committee has reviewed material Internal Audit findings, taken appropriate action where necessary or brought the matters to the attention of the Board of Directors where required.
- (d) The Board Audit Committee has provided proper arrangement for staff and Management to report to the Board Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- (e) The Head of Internal Audit has direct access to the Chair of the Board Audit Committee and the Board Audit Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.

- (f) Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable financial reporting system.

External Auditors

- (a) The statutory Auditors of the Company, KPMG Taseer Hadi & Co., Chartered Accountants, have completed their audit assignment of the Company's financial statements, and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the financial year ended June 30, 2020.
- (b) The Board Audit Committee has discussed the audit process and the observations, if any, of the External Auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- (c) The External Auditors attended all the Board Audit Committee meetings where their reports were discussed. Representatives of the External Auditors also attended the Annual General Meeting
- (d) Being eligible, KPMG Taseer Hadi & Co., Chartered Accountants have offered themselves to be reappointed as auditors for the financial year 2020-21.
- (e) The Board Audit Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Ms. Moneeza Butt. Being eligible for reappointment as External Auditors of the Company, the Board Audit Committee has recommended the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2021 at a fee plus other certifications of Rs. 1.614 million.

Annual Report 2019-20

- (a) The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company.

- (b) The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Board Audit Committee believes that the Annual Report 2019-20 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

The Board Audit Committee

The Board Audit Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board of Directors, which included principally the items mentioned above and the actions taken by the Board Audit Committee in respect of each of these responsibilities. Evaluation of the performance of the Board of Directors, which also included members of the Board Audit Committee was carried out separately.

Management Team

Mr. Fahd Kamal Chinoy

(Chief Executive Officer)

MBA from INSEAD, Fontainebleau, France and BA in Economics and Political Science from the University of Pennsylvania, USA.
Joined PCL in 2008.

Mr. Kamal A. Chinoy

(Advisor)

B.Sc. Economics from the Wharton School, University of Pennsylvania, USA.
Joined PCL in 1992.

Ms. Nazifa Khan

(Manager Legal Affairs and Company Secretary)

MSc and Graduate Diploma from the Australian National University and LLB (honors) from the University of London.
Joined PCL in 2015

Mr. Hasan Irfaan

(Director Operations and Supply Chain)

PGD in Advance Electronics from the Philips International Institute, Netherlands.
Joined PCL in 2013

Mr. Muhammad Umar Khawaja

(General Manager HR and Admin)

MBA from A.I.C and L.L. B. from Punjab University.
Joined PCL in 2019

Mr. Rao Salman

(General Manager Sales)

MBA in Marketing from Institute of Business Management and B.E in Electrical from NED University
Joined PCL in 2018

Mr. Waqas Mahmood

(Senior Manager Finance)

Fellow Member of the Institute of Chartered Accountants of Pakistan.
Joined PCL in 2008.

Mr. Shahzad Anwar

(Senior Manager Engineering)

B.E. in Mechanical Engineering from NED and MBA in Industrial Marketing from IBA.
Joined PCL in 2013.

Ms. Mariam Durrani

(Senior Manager Marketing and Brands)

MBA in Marketing from SZABIST, Karachi.
Joined PCL in 2015.

Mr. Syed Manzar Abbas Jafri

(Senior Manager Projects)

B.E. in Mechanical Engineering and Masters in Industrial Engineering Management from NED University.
Joined PCL in 2017.

Mr. Atta-ul-Hai Khan

(Senior Manager Technical)

Diploma of Associate Engineer (DAE) and BE in Mechanical Technology from NED University.
Joined PCL in 2014.

Mr. Muhammad Danish Kazmi

(Senior Manager Production)

M. Phil from Hamdard University, Karachi
Joined PCL in 2019.

Executive Management Committee

The mission of the Executive 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
Director Finance	Member
Director Operations and Supply Chain	Member
G.M. HR and Admin	Member
G.M. Sales	Member
Business Unit Head APB	Member
Head of Internal Audit	Member
Manager Legal Affairs and Company Secretary	Member
Senior Finance Manager	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.
- Review parameters for annual increments and ex-gratia.
- Assign tasks to the Operations Committee and expand (or subtract) their charter.
- Review and propose annual budget to the Board.
- Review company strategy and its implementation. Implement changes as required within the guidelines approved the Board of Directors.
- Explore new avenues for business, opportunities to enhance efficiencies and cost savings.
- Take on any other tasks assigned to it by the Chief Executive Officer or Board Committees.
- Deal with issues arising from Internal Audit reports.

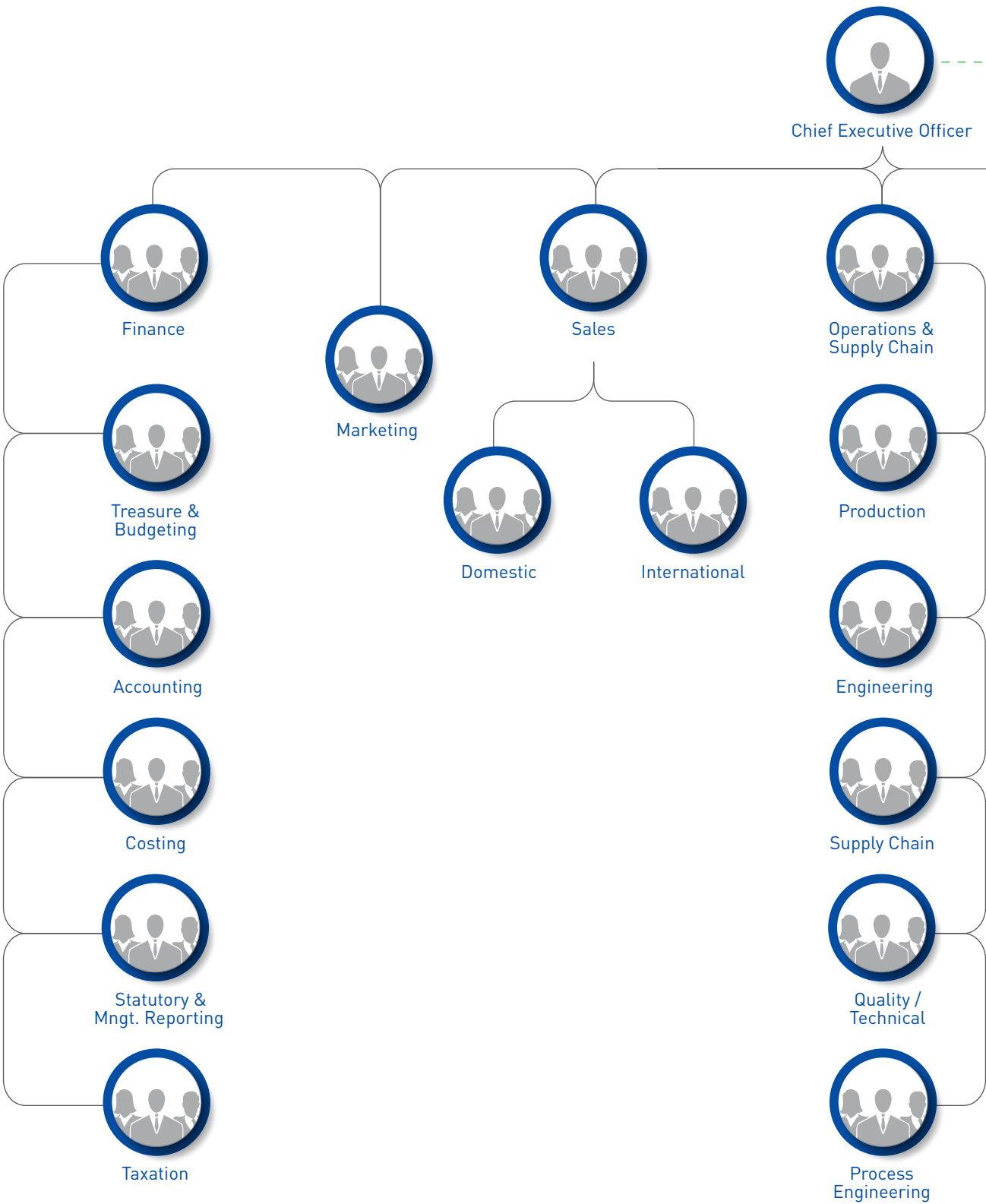
COMMITTEE PROCEDURES

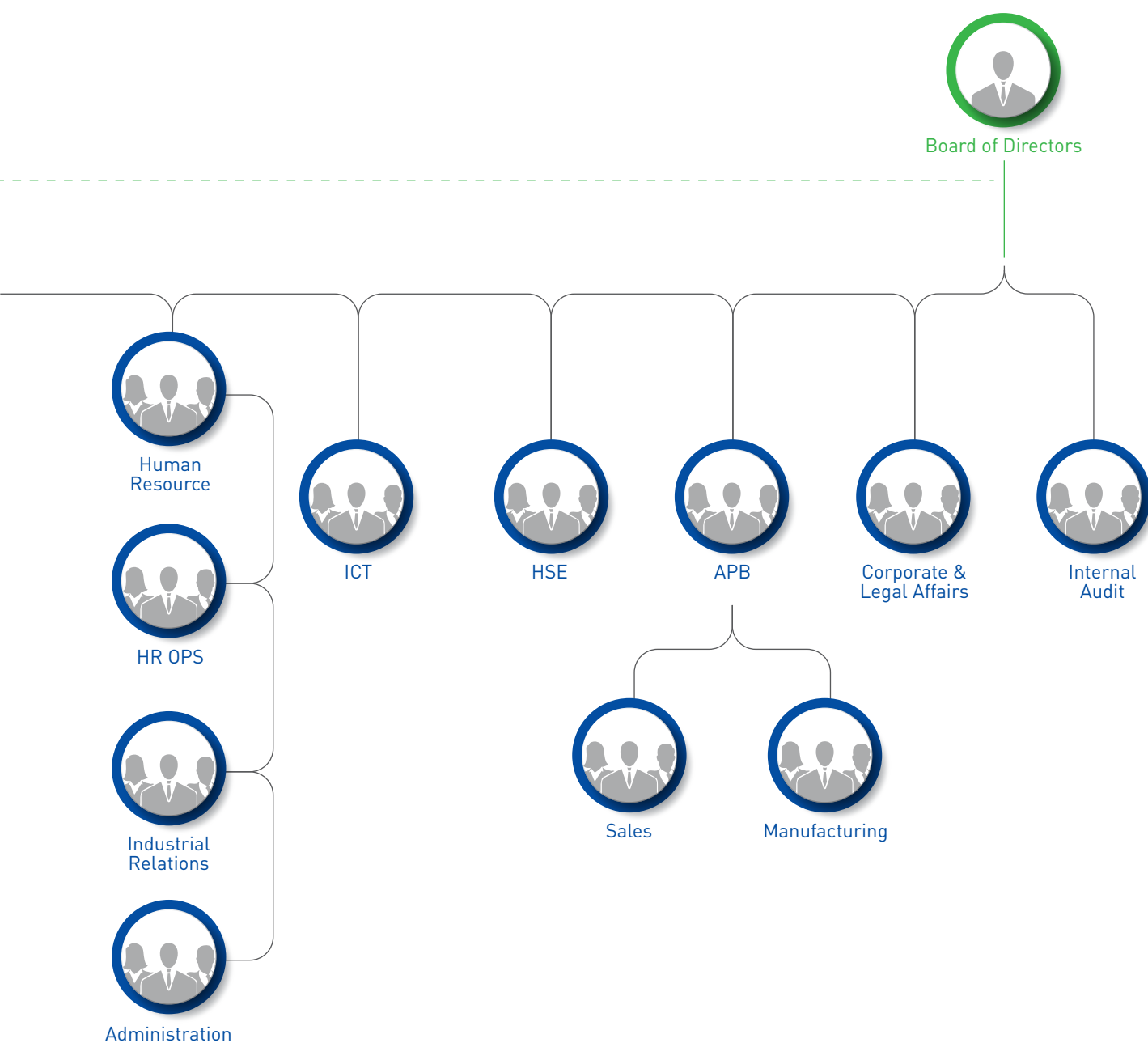
Formal meetings will be conducted on a monthly basis or more frequently as circumstances dictate.

The Head of Internal Audit is the Secretary of the Executive Management Committee. A record will be maintained of the minutes of the formal and informal meetings of the Executive Management Committee. Minutes of the meeting will be circulated to all members of the Executive 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 Officer.

Organizational Structure





Chairman's Review

I am pleased to present the annual report and audited financial statements of the Company for the year ended June 30, 2020 to our valued shareholders. Significant aspects of the performance of the Company have been shared during the course of the financial year 2019-20. The Management of the Company is determined to withstand the prevailing challenges through its continued operational efforts and the strategic directions provided by the Board of Directors.

The Company has implemented a strong governance framework that supports an effective and prudent management of business matters, which is regarded as instrumental in achieving the long term success of the Company.

During the course of the financial year 2019-2020, the Board of Directors and its Sub-Committees worked with a marked level of diligence and proficiency to best advise and guide the Company towards achieving its potential in the face of a significantly challenging economic scenario, which has been compounded by the impacts of the COVID-19 pandemic.

The Company has a diverse and competent Board of Directors which holds to the Company's vision and mission with the ultimate goal of serving the interests of stakeholders. The Board of Directors lead and guide the Company through strategic planning with a focus on the future. The Board of Directors as a whole has reviewed the Annual Report and Financial Statements, and is pleased to confirm that in its view the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and comprehensive.

An annual self-assessment is carried out to determine the effectiveness and performance of the Board of Directors as a whole, the Sub-Committees and the Directors, the integral components of which include, strategic planning, composition of the Board, policies and procedures, compensation procedures and completeness of information provision. The outcome of this assessment is that the Directors feel that the Board of Directors is engaged in strategic matters, has put in place the required controls and gets all the necessary information in a timely manner. The Directors further feel that the Independent Directors are equally involved in all decisions.

Going forward, global uncertainty caused by the COVID-19 pandemic will continue to pose a risk to the Company's profitability. It is unclear as to how market dynamics will evolve in the coming year and given this uncertainty the Board of Directors and Management will remain focused on making efforts to improve shareholders' value through internal efficiency enhancement and cost cutting measures while building on the Company's existing strengths.



Mustapha A. Chinoy
Chairman





چیرمین کا تجزیہ

میں 30 جون 2020ء کو اختتام پذیر سال کے لئے اپنے حصص داران کو کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس اور سالانہ رپورٹ ازراہ مسرت پیش کرتا ہوں۔ مالیاتی سال 2019-20 کے دورانیہ میں کمپنی کی کارکردگی کے نمایاں پہلو پیش کئے گئے ہیں۔ کمپنی کی انتظامیہ اپنے مسلسل جاری فعالی کاوشوں اور بورڈ آف ڈائریکٹرز کی فراہم کردہ سٹرٹیجک ہدایات کے ذریعے موجودہ مشکلات سے نبرد آزما ہونے کے لئے پرعزم ہے۔

کمپنی نے کاروباری امور کے مؤثر اور ٹھوس انتظام کے لئے جامع گورننس فریم ورک لاگو کیا ہے۔ جو کمپنی کی طویل مدتی کامیابی کے حصول میں مددگار ثابت ہوگا۔

مالیاتی سال 2019-20 کے دوران بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیوں نے کمپنی کو ترقی کی راہ پر گامزن کرنے کے لئے COVID-19 عالمی وبا کے پیش نظر مشکل ترین معاشی بحران میں انتہائی دلجمعی سے کام کیا ہے۔

کمپنی متنوع اور قابل بورڈ آف ڈائریکٹرز کی حامل ہے جو اسٹیک ہولڈرز کے بہترین مفاد کے لئے کمپنی کے ویژن اور مشن پر عمل پیرا ہے۔ بورڈ آف ڈائریکٹرز مستقبل کو سامنے رکھتے ہوئے اسٹرٹیجک منصوبہ بندی کے ذریعے کمپنی کی رہنمائی کرتا ہے۔ مجموعی طور پر بورڈ آف ڈائریکٹرز نے سالانہ رپورٹ اور مالیاتی اسٹیٹمنٹس پر نظر ثانی کی ہے اور ازراہ مسرت توثیق کرتا ہے کہ ان کی نظر میں سالانہ رپورٹ اور مالیاتی اسٹیٹمنٹس خالص، متوازن اور جامع ہیں۔

بورڈ آف ڈائریکٹرز، ذیلی کمیٹیوں اور ڈائریکٹرز کی مجموعی کارکردگی اور تاثیر کا تعین کرنے کے لئے سالانہ خود ساختہ تشخیص کی گئی۔ اس کے اہم پہلوؤں میں اسٹرٹیجک منصوبہ بندی، بورڈ کی تشکیل، پالیسیاں اور طریقہ ہائے کار، معاوضہ کی ادائیگی کا طریقہ کار اور معلومات کی فراہمی کی تکمیل شامل ہے۔ اس تجزیہ سے ڈائریکٹرز کو احساس ہوتا ہے کہ بورڈ آف ڈائریکٹرز اسٹرٹیجک معاملات میں اپنا کردار ادا کرتا ہے اور ضروری نظم و ضبط کو برقرار رکھتا ہے اور تمام ضروری معلومات کو بروقت حاصل کرتا ہے۔ ڈائریکٹرز کو مزید احساس ہوتا ہے کہ آزاد ڈائریکٹر/ڈائریکٹرز تمام فیصلوں میں مساوی شامل ہوتے ہیں۔

علاوہ ازیں، COVID-19 کی وجہ سے عالمی بے یقینی کی صورت حال کمپنی کے منافع پر اثر انداز ہوگی۔ آئندہ برس منڈی کے متحرک ہونے کے آثار بھی کم ہیں اور اس بے یقینی کی وجہ سے بورڈ آف ڈائریکٹرز اور انتظامیہ کمپنی کی موجودہ حالت کو مزید مستحکم کر کے داخلی سطح پر کارکردگی کو بڑھا کر اور لاگت میں کمی کے ذریعے حصص داران کے منافع میں بہتری کی جانب توجہ مرکوز کئے ہوئے ہے۔



مصطفیٰ اے چناے

چیرمین

Directors' Report

The Board of Directors are pleased to present the 67th Annual Report along with the audited accounts of Pakistan Cables Limited (the “**Company**”) for the year ended June 30, 2020.

Overview of the Company

The Company was the pioneering company in Pakistan's cable industry when it was established in 1953. The Company is principally engaged in the manufacture of conductors, cables and wires for transmission and distribution of electricity since 1953. The Company has also been manufacturing Aluminium sections/extrusions for the last four decades under the brand name of Alum-Ex. In 2008, the Company set up a PVC Compounding Plant to manufacture high quality electric cable grade PVC compound, as such the Company is integrated upstream for two of its 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.

The Company purchased a 42-acre plot of land in Nooriabad-SITE in 2018 for the purposes of establishing new manufacturing facilities. Currently work and planning is underway to design and build the new factory in a manner that is environmentally sustainable. The Company expects to complete most of the work on the new factory by end 2021, subsequent to which its manufacturing operations shall be bifurcated between the new Nooriabad factory and the current S.I.T.E factory.

Performance Review

Development of Business

Improvement in business processes is paramount for any industry to stay competitive in today's market. 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. Initiatives are underway that will improve efficiencies, improve lead times, lower inventories and reduce wastages. The

Company is continuously looking at ways to optimize systems to ensure proper visibility and monitoring of key metrics and is placing a greater emphasis on reporting and visibility through its ERP system. The implementation of Operational Performance Management (OPM) ERP module has commenced and is expected to be completed in the following year, bringing in the planned efficiencies in the processes.

The Company remains committed to ensure continuous improvement in all functions. The objective is to have an integrated business approach linking demand planning with the material and production planning to effectively deploy the order fulfilment process. Through continuously increasing accuracy in the forecasting, benefits have started getting realized in several areas. The Company has geared up for higher production levels with capacity enhancement investments conducted in certain higher potential value streams. A new product, the ACCC conductor, has been added to the product mix which is targeted to be the future transmission and distribution conductor with huge advantages of energy loss reduction, low sag and high current capacity. Together with this, investments and developments have been done in various new products that the Company has introduced to the market, in order to keep ahead of market trends.

The Company is further promoting Lean Six Sigma culture to develop a mindset of continuous improvement, enhancing efficiency and ensuring consistency of quality in the processes. Young engineering employees are being groomed to become good practitioners to deploy the approach of Lean Six Sigma to facilitate the Company towards becoming a world class manufacturing in accordance with its long term strategic plan. Kaizen activities are also emphasized involving workers and Management employees to bring forth improvement initiatives and novel ideas paving the way for continuous improvement culture.

The Company closely monitors evolving customer needs and technology trends. A comprehensive product development program is in place at a cross functional level. With a greater emphasis on customer safety in recent times, several customers are opting for cables with greater safety features with greater flame retardancy and low smoke in the event of fire. As such, the Company is the first in Pakistan to have its Low Smoke Zero Halogen (LSZH) power cables type tested by the internationally renowned KEMA Laboratory. As per our knowledge, the Company is the only cable company in Pakistan to have a fire testing laboratory for flame propagation testing.

The Company launched an e-store on September 20, 2019, becoming the first player in the cable industry in Pakistan to launch an e-commerce platform. The store initially covered Karachi, Lahore, Islamabad and Rawalpindi. In February 2020 the e-store extended its services to all major cities across Pakistan, 50 in total.



Performance of Business

The financial year 2020 has been a challenging year for Pakistan's economy. The COVID 19 Pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. In addition, there was significant devaluation of the rupee against the U.S. dollar during the year. To reduce the impact on businesses and economies in general, State Bank of Pakistan (SBP) introduced a host of measures on both the fiscal and economic fronts. These included reduction in policy rate by 625 basis points, deferments of principal amount of loans, refinancing of loans at concessionary rates, salary refinancing, etc. to provide relief to businesses.

Due to the adverse economic conditions prevailing in the country during the year, the Company's top line was curtailed. The Company achieved sales of Rs. 9.1 billion, which is 6% lower than last year's sales of Rs. 9.7 billion. The lower sales were resultant of the lockdown enforced by the government, which resulted in disruptions of operations of the factory.

Gross profit for the year amounted to Rs.860.3 million (9.5 % of sales), compared to last year's gross profit of Rs. 1,145.7 million (11.8% of sales). The lower gross profit is attributed due to intense competition in the market and devaluation of rupee against the dollar which increased the cost of our inputs, all of which could not be passed on to customers.

Marketing, selling and distribution cost for the year amounted to Rs. 435.1 million as compared to Rs. 509.8 million in the last year. The decrease is mainly on account of lower advertising and publicity expenses. Finance cost for the year are Rs. 283.3 million compared to Rs. 188.6 million in the last year. The increase is due to exchange loss on borrowings in US dollars and high interest rates during most part of the current year.

As a result of the difficult economic environment prevailing within the country, pandemic turmoil, sharp fall in the value of the Pak Rupee and severe competition in the market, the Company incurred a loss after tax of Rs. 91.8 million compared to profit after tax of Rs. 126.2 million in the same period of last year.



Loyalty Club promotional activity at retail

Appropriations:

The appropriation of profit will be as under:

	2019-20 Rs. '000
The net loss after tax amounted to	(91,786)
Other comprehensive income	16,794
Total comprehensive Loss	(74,992)
To this is added un-appropriated profit brought forward from last year	76,632
Transfer from surplus on revaluation of building – Own	13,244
	14,884

Appropriations:

Payment of Final cash dividend at the rate of Rs. 1.0 per share (10%) for the year ended June 30, 2019

	35,578
Transfer to General Reserve for the year ended June 30, 2019	41,000
Leaving un-appropriated loss to be carried forward	(61,694)
	14,884
Loss per share	(2.58)

Business Review

Along with the slowdown in construction activity, imports of wire and cables continue and as such the local industry has been facing challenges. With excess capacities in the cable industry, margins tightened over the course of the year. COVID driven business circumstances and market lockdowns have further impacted the demand scenario. Nevertheless, the Company is confident, that fundamentally there is a strong need for infrastructure development and construction in Pakistan, particularly with lower borrowing rates and the recent construction / real estate packages announced by the Government. This is expected to drive the demand for wire and cable in the medium to long term.



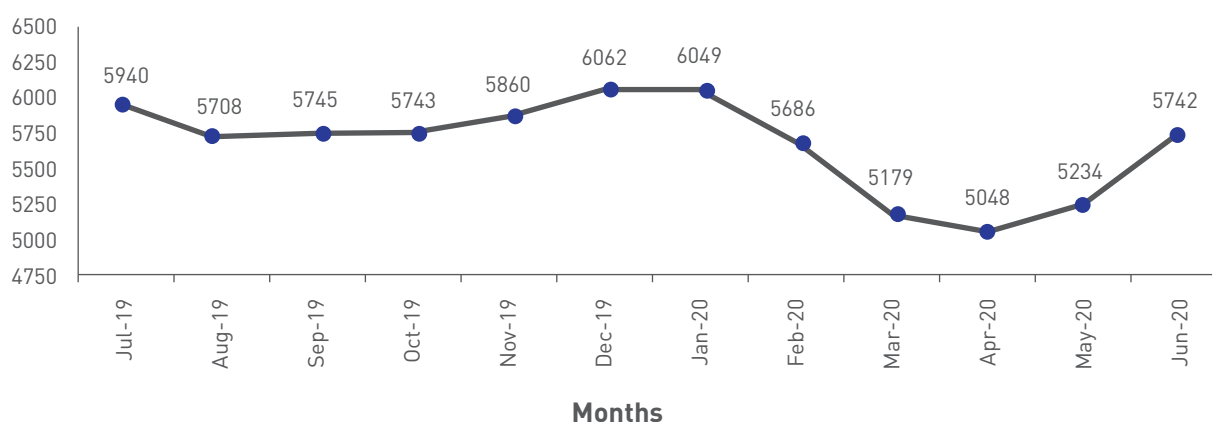
Nationwide visibility at retail

Global Copper and Aluminum Scenario

The prices of cables, Copper rod, conductors 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 price of both these metals are determined at the LME and any fluctuations in Copper or Aluminium prices have a direct effect on the pricing of our products.

Copper prices on LME ranged between \$ 4,617 to \$ 6,300/t during the year. The prices remained steady during the first half of the year and mostly traded between \$5,700 to \$5,900 but crossed \$6000 during second half of December, however, the prices start to decline from end January and dropped to \$4,600 levels in March 2020 due to outbreak of COVID-19 subsequent to which they started to rise again and went above \$ 6,000/t hitting their highest level after COVID-19, finally closing at \$ 6,038/t on June 30, 2020. A graph of the monthly average of copper prices on the LME is shown below:

**Average Monthly L.M.E. of Copper US\$ / Ton
July 2019 - June 2020**



Cash Flow and Liquidity

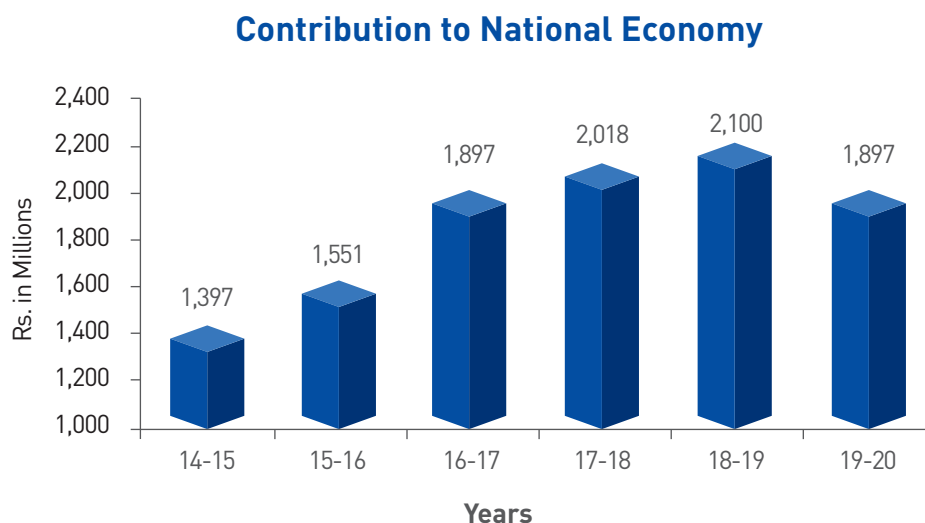
The Company is constantly monitoring cash flow to ensure overall liquidity. During the financial year, the Company's net cash flow from operations was Rs. 1,105.0 million. The Company was able to manage its operating cash flows by ensuring tight credit controls, better collections and reduce inventories over the course of the year.

The Company continued to monitor interest and foreign exchange rates to take advantage of any potential saving or hedging opportunities.

The Company has not entered into any commitment during this period which would have an adverse impact on the financial position of the Company.

Contribution to National Economy

The Company's contribution to the National Exchequer by way of taxes, levies, sales tax, etc. amounted to Rs. 1,897 million during the year (2018-19: Rs. 2,100 million).



Material Changes

Mr. Kamal A. Chinoy resigned from his position as the Chief Executive of the Company and Mr. Fahd K. Chinoy was appointed as the new Chief Executive Officer, effective from July 1, 2019.

Human Capital

The Human Resource team is actively engaged in developing, supporting, encouraging, and enabling the employees—building capacity of the Company. The Human Resource team facilitates the Company with harnessing human potential and channeling it in the right direction; towards the achievement of the Company's goals and vision. It is responsible for identifying recruiting, training and staffing needs of respective departments and devises hiring strategies for bringing in the right people in the Company. The team further undertakes talent engagement and employee branding activities such as career fairs on campus recruitment drives.

HR - Succession Policy

The Board of Directors has approved a Succession Planning Policy that will allow the Company to identify and appropriately train employees in order to cater to vacancies in key positions, so as to ensure a smooth transition of responsibilities and continuous operations of the Company.

Industrial Relations

The Industrial Relations team assists the management in creating an enabling work environment by ensuring that the company meets its social and legal responsibilities towards its employees, including employment condition, quality of work life and maintaining HSE standards. The department also provides professional advice/support to functional and departments on labour laws, rules of service, union agreements and disciplinary actions.

The total number of employees as on June 30, 2020 was 474. 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.

Information Technology

In line with our commitment to strive for the latest technology and companywide digital transformation, the Company continues to invest in best in class technology platforms. The Company is also embarking upon extended implementation of ERP for manufacturing execution which will also standardize and digitize the shop floor operations to get real time monitoring of activities on the shop floor and this should facilitate better visibility and assist in reducing wastages and work in progress.

Awards

During the current year, the Company received the 43rd FPCCI Merit Award for Exports as well as the 7th FPCCI Award for contribution towards technological advancement for ACCC conductors. It was also awarded the 14th Consumer Choice Award and a Merit Award in the Best Corporate and Sustainability Report Award Completion 2019 in the Engineering Sector.



Winning the 43rd FPCCI Merit export Award 2019 fourth time consecutively



Winner of the 7th FPCCI Award for Technological Advancement



Winner of the 14th Consumer Choice Award

Risks and Opportunities Report

The Board of Directors carries out assessments of the principal risks facing the Company, including those that would impact the business operations, performance and liquidity of the Company. Insofar, a summary of the risks assessed are outlined below:

	Source	Mitigation Strategy
Strategic Risks		
Changing technological requirements rendering existing products obsolete	Changing specifications	Monitoring changing specifications and market trends. Diversification of product portfolio to cater to all segments of the market.
Commercial Risks		
Increase in imports of cables and wires	Governmental policies	Lobby for change in Governmental policies to protect indigenous industry.
Volatility in prices of metals	London Metal Exchange	The Company has comprehensive risk management and procurement strategies that try to ensure that fluctuations in the prices of copper and aluminium do not expose it to losses.
Low quality cables and counterfeit products from the un-organized sector	Undocumented production and supply sector	The Company has taken several steps to counter this including engaging third parties that are actively involved in IP protection and the introduction of a product verification system, which allows consumers to verify the authenticity of the product via sms or the internet.

	Source	Mitigation Strategy
Risk associated with inventory	Varying supply demands	Identification of the right mix and quantity of products to keep in our inventory to meet customer orders and regular monitoring.
Increase in competition	Market	Adjust selling strategy and improve efficiencies to stay ahead of the competition. Maintenance of quality of excellence.
Operational Risks		
Breach of IT security	Hacks, natural disasters, viruses	Stringent IT controls, regular audits and monitoring of IT controls.
Energy unavailability	Nationwide energy crisis	Establishment of a captive power plant and taking advantage of the Governments enhancement of gas allocations.
Loss of key personnel	Market dynamics	Development of a comprehensive succession plan that identifies potential high achieving employees.
Financial Risks		
Foreign exchange risk	Rupee depreciation	Reduced exposure to borrowings in foreign currencies and constant monitoring of the exchange rate levels.

Sustainability

ESG Policy

The Board of Directors has approved an Environmental, Social and Governance (ESG) policy that requires incorporation of environmental, social and corporate governance issues into all aspects of the Company's operations, including its investment analysis, decision-making and ownership practices.

Mitigation of Industrial Effluents Impacts and Community Awareness

The Company is very conscious of its carbon footprint and its responsibility to society at large. As such it has implemented the following processes to reduce the impacts of its operations:

- Periodic cleaning of septic tanks/pits to ensure safe and clean discharge of effluents.
- Ensure the operations of waste water treatment facility remains intact at all times and also ensure that proper disposal of sludge / residue through Sindh Environmental Protection Agency (SEPA) certified contractors.
- Periodic monitoring of effluents and the results have been found within the limits as set by Sindh Environmental Quality Standards (SEQS).
- "Clean n Green Environment" program of environmental awareness conducted through orientation programs and flyers.

Efforts Made by the Company to Overcome the Energy Crisis

In addition to other reported energy conservation endeavors to redress the energy crisis, the Company has developed its own captive power plant that it supplements the utility company's energy supply with, in order to reduce the pressure on the energy sector.

Energy Conservation

The Company recognizes the importance of efficient use of limited energy resources and has worked towards the following endeavors to conserve energy:

- "Importance of Earth Hour" awareness seminars for employees
- Pictorial instructions displayed on methods of energy conservation in day to day life.
- Company-wide mandate to turn off monitors, lights, fans and air conditioners at lunch and prayer time.
- Replacement of tube lights and bulbs with LEDs / energy savers.
- Designing new structures in a manner that utilizes natural lighting as much as possible.

Moreover, the Company's captive power plant is equipped with waste heat recovery and vapor absorption chillers, and is able to more efficiently utilize gas and electricity, thus ensuring energy conservation.

Environmental Protection Measures

The Company prides itself on manufacturing products that are "Environmentally Friendly". The Company is in the business of producing the highest quality wire and cables in Pakistan as per international standards. Due to use of high quality copper in the manufacture of our cables, our cables result in the conservation of electricity due to lower line losses. Similarly, Alumex, as an alternative to wood windows and doors, helps in reducing de-forestation. 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.

The Company is certified for latest standard of Environmental Management System (EMS) 14001:2015. Additionally, the Company strives for environmental protection through the adoption of the following

:

- Compliance with all environmental legal obligations as well as meeting the international standard of ISO 14001 (Environmental Management System).
- Periodic monitoring of effluents, stack emissions, noise and ambient air quality.
- Ensuring that the test results of all waste emission and effluents are within the Sindh Environmental Quality Standards limit.
- Establishment of secondary containment solutions for handling liquid chemical / oils and lubricants.
- Execution of Plastic 4R's (Reduce/ Re-use/ Recycle/ Replacement) methodology has been initiated.
- Ensuring proper waste collection and disposal methods, for example any anodizing waste is neutralized as per SEQ standards prior to discharge.
- Initial Environmental Examination (IEE) approved by SEPA for under-construction site in Nooriabad S.I.T.E. In this connection, an Independent Environment Monitoring Consultant (IEMC) visited the under-construction site to carry out monitoring in compliance with IEE issued by SEPA. The visit outcomes were declared as successful.

CSR Policy

The Company views corporate social responsibility as a business approach that allows contributing towards sustainable development through uplifting economic, social and environmental benefits for the community. Being a good corporate citizen is part of the Company's core values and is defined in the Company's mission statement.

The Management of the Company and those charged with governance are well aware of their responsibility of being a corporate citizen and are very much committed in this regard. The Company is committed to supporting causes that focus on social uplifting in various communities in Pakistan.

Our areas of interests in this connection include but are not limited to environment protection, education, health and social development of the society.

The Company has commenced upon the process of depositing its unpaid dividends amount in an interest bearing account; interest accrued thereupon shall be utilized for CSR endeavors.

CSR Activities

During 2019-20, the Company's social spend stood at over Rs. 5.08 million including CSR activities and donations. In the year, the Company collaborated with selected implementation partners to drive its CSR agenda

- Anjuman-e-Hasani
- HOPE
- NOWPDP
- Pursukoon Karachi Society
- University of Engineering & Technology (UET), Lahore
- Zubaida Machiyara Trust

Key CSR initiatives included:

- **Pledged support to the COVID 19 relief fund by Karachi Relief Trust (KRT)**

The Company pledged to support COVID-19 relief efforts and help flatten the curve. The commitment includes a donation of Rs. two million towards relief efforts led by the Karachi Relief Trust (KRT). KRT is distributing food ration to families, in Karachi and parts of Sindh, whose livelihoods are being impacted by the pandemic. The Company invested in a digital public awareness campaign and altered its logo for a period of three months to spread awareness on the need for social distancing as a public service messaging initiative.

- **Empowering the Differently-abled**

In an effort to provide equal learning and development opportunities for the differently abled the Company collaborated with NOWPDP to support establishment of The Inclusion Academy in Karachi. The Inclusion Academy is a school-project that aims to target differently abled children hailing from under privileged segment of the society. The Inclusion Academy is first such project targeting children with disabilities launched by NOWPDP, an NGO that has been offering skill based programs for the differently abled in Pakistan by collaborating with various other NGOs. Earlier in 2019, the Company signed a MoU with NOWPDP as part of the MoU, the Company also sponsored construction of a training facility, based within the office premises of NOWPDP, to facilitate

vocational trainings undertaken by NOWPDP to empower the differently abled.



MoU signing ceremony with NOWPDP to support the Inclusion Academy

- **Pakistan Cables-UET Scholarship Fund (Lahore and Faisalabad)**

The Company and UET's (Lahore) collaboration to support the university's scholarship, providing financial assistance to deserving students at UET's Lahore and Faisalabad campuses, entered its second year successfully. Eight (8) scholarships awarded to students enrolled in the Electrical Engineering department of the UET. The Company has impressed upon UET's management the need to ensure gender balance among applicants that oversees equal opportunity to deserving candidates.

Community Investment and Welfare Schemes

The Company supports academic institutions across Pakistan by sponsoring initiatives that help promote extracurricular activities among the youth and contributes towards grooming the future generation of professionals in Pakistan.

National Cause Donations

The Company prides itself on being a patriotic corporate citizen; not only did it celebrate the Independence Day 2019 with gusto, it also remains an enthusiastic partner towards meaningful causes of national significance.



Independence day celebrations at the Factory

The Company participated in the Prime Minister's call for Kashmir Solidarity Hour on August 30, 2019. During 2019-20, the Company donated towards meaningful causes of national significance, which include:

- Al-Zohra Welfare Association
- Al-Mehrab Tibbi Imdad
- Karachi Relief Trust
- Roohbaru Society of Mental Health

Consumer Protection Measures

The Company continues to enhance its accessibility following an omni-channel strategy to ensure accessibility and convenience for consumers. In June 2020, the Company rolled out a WhatsApp facility for consumers who can now verify products through WhatsApp and get instant verification, free of cost. Since its launch in 2015, the Product Verification facility was available via SMS whereby consumers would SMS the secret code printed on the product packs to 8006 for instant verification. In 2016, the Product Verification facility made available on the Company's website too. Overall number of verifications increased by eighteen (18) percent in 2020 as compared to 2019.

The roll out of these facilities re-emphasize the Company's position on being committed to fostering ethical practices in the market and never compromising on offering premium quality to its valued customers.

Diversity

Equal treatment for all employee and maintenance of a discrimination free environment is one of the main features of the Company's objectives. The Company recognizes the role of people with diverse and multicultural backgrounds and beliefs systems.



PCL staff celebrating The International Women's Day

In particular, the Company strives towards providing an empowering, safe and conducive environment for women; currently female employees form 6.7 percent of the Management workforce. The Company celebrated International Women's Day, in which all the female employees had a roundtable discussion with senior Management including the CEO to discuss the hurdles faced by women in being able to work. The Company additionally organized a visit to a women's shelter as well as a lunch, for the female employees.

The Company has a female employee engagement procedure in place that regularly allows its female employees to voice their concerns and suggestions in order to better enable the Company to position itself as an equal opportunity employer.

Harassment Policy

In accordance with applicable law, the Company has in place a policy to protect its employees for harassment of various kinds. The Company prides itself on its superlative work environment which allows its employees to work and learn in a supportive and secure environment. Insofar, the Company has a zero tolerance policy towards any form of harassment towards its employees.

Employment of People with Disabilities

The Company considers it a social and moral responsibility to accommodate people with disabilities and ensure that their needs are not a barrier to their employment. Currently there are eleven people with disabilities employed with the Company.

The Company's new factory in Nooriabad, S.I.T.E is being designed to be accessible by people with disabilities as well.

Occupational Health and Safety

Protecting the health and safety of our people and ensuring a healthy working environment is of great importance to the Company; as such the Company is committed to working towards designing a workplace that minimizes work related risks and occupational health and safety. The Company has a comprehensive Health, Safety and Environment (HSE) management system and an HSE policy. Every employee's obligation to comply with HSE requirements is ensured through a robust training program and self-audits, internal audits and periodic management reviews. HSE internal and external sequential audits of all departments are conducted to evaluate compliance. The respective procedures are periodically updated to ensure accident free work place by encouraging

instant reporting of all even near miss incidents followed by rigorous investigations to incorporate avoidance of future recurrences.

The HSE endeavors targeted at occupational health and safety include:

- Machine guarding
- Mandatory use of PPEs on the factory floor
- Awareness seminars on adverse effects of eating and spitting of Pan and Gutka
- Lock Out and Tag out program initiated to prevent from electrical incidents
- Provision of portable fire hydrant trolleys
- Conducting monthly health and hygiene surveys
- General medical health checkups of all employees conducted by the Company's doctor
- Pulmonary Function Test conducted for individuals working in the anodizing area, De-bagging/Raw Material charging area at PVC Plant and Powder Replicator
- Attained successfully OHS&E initiative to improve In-Door Air Quality of Powder Coating Area in Aluminium Profile Business. The improvement measures taken were validated by a third party Independent Environment Monitoring Consultant (IEMC) and the test results were found within compliance limit.
- Vaccination program were conducted for food handlers
- OHS&E-Management System regarding "Construction Safety" prepared and implemented for the new factory site in Nooriabad

In-line with Management's objective, the Company is certified for the new standard for OHS 45001:2018 (Occupational Health and Safety Management System). The Company was also amongst a handful of companies in Pakistan to receive the prestigious award from the National Forum for Environment and Health's at the 7th,

8th, 10th, 12th and 16th Annual Environment Excellence Awards. For first time in the Company's history, it participated and won a CSR Award in the category of "Environment and Waste Management / Recycle" organized by the National Forum for Environment and Health (NFEH).

In order to protect health and safety of employees during the COVID-19 pandemic, the Company developed and implemented its "Coronavirus Contingency Plan" (CCP). In line with the CCP and the Government's SOP awareness, counselling sessions were conducted on COVID-19 precautionary measures. The following key precautionary measures have been taken:

- Disinfectant walk-through gates were placed at the existing factory and under-construction factory sites.
- Temperature checking at all facilities/ offices.
- Placement of hand sanitizer at prominent locations at all offices
- Daily disinfection of all work stations
- Distribution of face mask and hand sanitizer among all individuals.
- Maintaining social distancing and work from home strategy.
- Strong supervision for governmental SOP compliance.

Training and Development

Safety culture was endorsed through the year via various training sessions. As a way forward, the Company launched an e-learning initiative in the form of HSE modules, as this provides a new platform to supplement ongoing OHS&E trainings, development and learning programs. During the year, a total of 1,384 man-hours were spent sessions on different OHS&E.

Governance

Office of the Chairman of the Board of Directors and the Chief Executive Officer

The office of the Chairman of the Board of Directors and the Chief Executive Office (CEO) of the Company are held separately, with a clear division of roles and responsibilities.

Role of the Chairman of the Board of Directors

The principal role of the Chairman of the Board of Directors is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board of Directors and acts as a direct liaison between the Board of Directors and the Management of the Company, through the CEO. The Chairman acts as the communicator for Board of Directors decisions where appropriate.

Role of the Chief Executive Officer

The CEO is responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's objectives. The CEO acts as a direct liaison between the Board of Directors and Management of the Company and communicates to the Board of Directors on behalf of Management.

The Board of Directors and its Committees

The Company has a Board of Directors comprising of nine members, the details of whom are given on pages 35 to 39.

The Board of Directors has formed two committees, namely the Board Audit Committee, the details of which are given on page 42, and the Human Resource and Remuneration Committee, the details of which are given on page 40.

Role and Responsibilities of the Board of Directors

The members of the Board of Directors are fully aware of their responsibilities collectively as well as on an individual basis. The Board of Directors actively participates in all major decisions of the Company including approval of capital

expenditure budgets, investments, issuance of equity and debt capital, related party transactions and appointments of key managerial personnel.

The Board of Directors, on the recommendation of the Board Audit Committee, has approved a policy on Governance of Risks and Internal Control Policy, through which it monitors the Company's operations and the adequacy of its internal financial controls by approving, inter alia, its financial statements, reviewing internal and external audit observations, if any, and recommendation of dividends. The Board of Directors, on the recommendation of the Board Audit Committee, has also approved a Business Continuity Plan and a Disaster Recovery Plan for the Company to implement.

The Board of Directors has reviewed and approved formal policies for conducting business and monitoring/mitigating the Company's level of risk tolerance and ensures their monitoring through an independent Internal Audit Department which continually monitors adherence to Company policies.

Directors Remuneration

The Company has a policy in place that ensures formal and transparent procedures for fixing the remuneration of Directors and no single Director is involved in determining his/her own remuneration. Remuneration levels are kept at a reasonable level in order to attract and retain directors, however at all times, care is taken that such level does not compromise independence.



M. Aslam (electrician), Winner of Shahbush Ustaad gets a VIP reception in Karachi

Meetings of the Board of Directors

The Board of Directors meets at least every four times per annum in accordance with regulatory requirements. Board Meetings are also called to discuss and decide on important and/or urgent matters if so required.

The Board of Directors met 6 times during the fiscal year 2019-2020 with the attendance of such meetings is as follows:

Name of Director	Attendance
Mr. Mustapha A. Chinoy	5/6
Mr. Akbar Ali Pesnani (elected as of May 5, 2020)	2/2
Mr. Mazhar Valjee (elected as of May 5, 2020)	2/2
Mr. Roderick Macdonald	6/6
Ms. Spenta Kandawalla	5/6
Mr. Saquib H. Shirazi	3/6
Mr. Syed Muhammad Tariq Huda (elected as of May 5, 2020)	1/2
Mr. Kamal A. Chinoy	3/6
Mr. Fahd Kamal Chinoy	6/6
Mr. Farrukh Ahmed Hamidi (joined on July 24, 2019 and term expired on May 4, 2020)	4/4
Mr. Haroun Rashid (term expired on May 4, 2020)	4/4
Mr. Mohammad Younus Dagha (resigned on July 23, 2019)	0/0
Ms. Sadia Khan (resigned on March 3, 2020)	2/3

Changes to the Board of Directors

Two casual vacancies opened up on the Board of Directors during the year; the first with the resignation of Mr. Mohammad Younus Dagha, which was filled within a day with the appointment of Mr. Farrukh Ahmed Hamidi. The second casual vacancy came up with the resignation of Ms. Sadia Khan in order to take up the position of Commissioner of the Securities and Exchange Commission of Pakistan (SECP); this was filled subsequent to the election of the Board of Directors. The Board was reconstituted on May 5, 2020 for a term of three years.

Director Orientation

The Chairman sends a welcome letter to newly appointed Directors, along with relevant Company related documents. Such new members of the Board of Directors are taken through an induction process to familiarize them with the Company and its strategic objectives, facets of the business, critical performance indicators, financial position, key policies and role and responsibilities of the Board of Directors.

Director Training Program

The following five Directors have completed their Director Training Programs offered by local institutions that meet the criteria specified by the SECP

:

- Mr. Akbar Ali Pesnani
- Mr. Mazhar Valjee
- Ms. Spenta Kandawalla
- Mr. Kamal A. Chinoy
- Mr. Fahd Kamal Chinoy

Mr. Mustapha A. Chinoy, Mr. Roderick Macdonald and Mr. Saquib H. Shirazi are exempt from the requirements of the training.

Trading in shares of the Company by Directors/Executives, their spouses and minor children

The following transactions were made by the newly elected Independent Directors for the purposes of meeting their qualifying shareholding under the Company's Articles of Association:

Name	Transferor/ Transferee	Office held/ relationship	Number of shares	Nature of transaction
Mr. Akbar Ali Pesnani	Transferee	Independent Director	1000	Purchase
Mr. Mazhar Valjee	Transferee	Independent Director	1000	Purchase

Board Meetings held outside of Pakistan

No meetings of the Board of Directors were held outside of the territory of the Islamic Republic of Pakistan.

Annual Evaluation CEO

In accordance with legal requirements, the appointment of the CEO is approved by the Board of Directors and the tenure of such appointment is for 3 years.

The performance of the CEO is reviewed annually in the context of his role and responsibilities in accordance with the Guidelines for Performance Evaluation of the Board of Directors, CEO and Chief Regulatory Officer issued by the SECP.

Board of Directors

A comprehensive mechanism is in place for undertaking an annual evaluation of the performance of the Board of Directors, the Board Members and the Board Committees in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Guidelines for Performance Evaluation of the Board of Directors, Chief Executive Officer and Chief Regulatory Officer issued by the SECP.

Documentation necessary for conducting the evaluation are duly circulated to all members of the Board of Director and are required to be submitted with the Company Secretary. The results are consolidated and presented to the Board of Directors to discuss any improvements/measures proposed.

Conflict of Interest

The Board of Directors has approved a policy which mandates that in the event of any conflict of interest, or potential interest, in any manner, the concerned officer/employee shall recuse him/herself from contributing in the determination of such matter. Moreover, no officer/employee shall be involved in a

situation in which he/she might have a direct/indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

Related Party Transactions

In accordance with the relevant regulations, the Company has a Related Party Transactions Policy approved by the Board of Directors which governs the manner in which arm's length and non-arm's length related transactions are dealt with.

Additionally, the Company maintains a Related Party register in accordance with prevailing regulations.

Insider Trading

The Company has a policy on insider trading. Closed periods are announced by the Company prior to the announcement of financial results. Directors and Executives are only allowed to trade in Company securities outside of the closed periods.

The Board of Directors has set out a definition for "Executives" for the Company and reviews it annually.

Security Clearance of Foreign Directors

Every foreign Director who is nominated for election on the Board of Directors of the Company is required to furnish the requisite documents for their security clearance which are then submitted to the Ministry of Interior for such clearance.

Whistle Blowing Policy

The Company ensures accountability and integrity in conduct by devising a transparent and effective whistleblowing mechanism for alerts against deviations from policies, controls, applicable regulations or violation from the code of ethics. This policy is applicable to all individuals associated with the Company and provisions for disclosures thereunder in confidence, without fear of repercussions.

Communication

The Company is committed to diligent and accurate communication with its shareholders and the annual, half yearly and quarterly reports are distributed within the requisite time frame. The activities of the Company are also regularly updated on its website: www.pakistancables.com, which contains an Investor Relations section.

Investors Grievance Policy

The Company has a policy in place to streamline and address requests, grievances and complaints of its shareholders.

Stakeholder Engagement

The Board of Directors believe in having an open communication with Company stakeholders and promoting transparency and visibility. The Board of Directors has approved a Stakeholder Engagement Policy the salient details of which are set out below:

Stakeholders	Value to the Company	Management of Engagement
Shareholders	Provision of capital which allows fulfillment of objectives and vision.	We acknowledge the invaluable support of our investors and retain it by providing a steady return on their investment.
Customers and Suppliers	Our Suppliers are the support system that allow us to operate efficiently. Our customers loyalty is what enables us to realize our vision and goals.	We operate in a manner that supports our customers and suppliers in return by provision of flexible/favorable terms and conditions of dealings as well as ensuring timely payments.
Banks and other lenders	Allows future planning, debt management in an efficient low-cost manner that facilitates our operational efficiencies.	Prioritizing payment schedules and provision of accurate and transparent information with respect to our dealings facilitates us in keeping good terms with the banks and lenders.
Media	Enables us to keep our customers and other stakeholders updated and aware of our products, schemes and other key information.	Multiple communication methods are used, based on the needs of the situation, to give out information and update our stakeholders.
Regulators	Maintain a level playing field and helps us be as transparent as possible.	We are responsible corporate citizens and pride ourselves on operating strictly within the legal and regulatory framework.

Stakeholders	Value to the Company	Management of Engagement
Employees	Form the foundation and cornerstone of our operations and are of extreme value to the Company.	Our regular engagement processes, HR events and policies all seek to create a diverse and inclusive work environment.
Community	Comprises of all our other stakeholders and we continually strive to leave a positive impact on it.	Measures are taken to reduce our carbon footprint as well as give back to the community via CSR activities.

General Body Meetings

Annual General Meetings are held in accordance with prevailing law and Extraordinary General Body Meetings are held as and when required. On both such events, the Board of Directors is appropriately represented and the shareholders have an opportunity to engage and communicate with the Directors.

Minority Shareholders

Minority shareholders are encouraged to take part in meetings:

- The Annual Report of the Company containing the notice for General Meetings is sent out to minority shareholders in the same manner as the majority shareholders.
- To encourage minority shareholders to attend General Meetings and participate in the affairs of the Company, a proxy form is also attached along with the notices of General Meetings to ensure their representation and participation in the General Meetings, even if they are unable to attend, personally.
- The Company ensures that there is dedicated time-slot for questions and answers session in its General Meetings so that the minority shareholders, in particular, can engage with the Board of Directors, and raise any queries that they may have with regards to the Company's performance. This encourages a healthy attendance from the minority shareholders in the Company's General Meetings.

Corporate Briefing Session

The Company carried out a corporate briefing session in the year.

Governance Practices Exceeding Legal Requirements

The Company is commitment towards a culture where compliance with prevailing laws and regulations is the bare minimum standard. The Company actively strives to adopt the best practices in industry and governance in order to ensure that it remains the best-in-class. Our internal controls are focused on ensuring that the Company maintains its superlative reputation. The Company in the past has proactively complied with many additional requirements, which were not mandatory at that time. Some of the examples are:

- The Board of Directors of the Company have, on more than one occasion, had more than the minimum requirement of one female director.
- The requirement for the Chief Executive Officer and the Chairman to be separate individuals was introduced through Code of Corporate Governance, 2012 whereas the Chief Executive Officer and Chairman of the Company have been separate since at least the last thirty years.
- The Listed Companies (Code of Corporate Governance Regulations, 2019 encourages at least 50% of the Directors to be trained by June 30, 2020. More than 50% of the Directors of the Company are either trained or exempted from the program.

Auditors

KPMG Taseer Hadi & Co. have completed their annual audit of the Company for the year ended June 30, 2020 and have issued an unqualified report.

They retire and being eligible, have offered themselves for re-appointment for the year ending June 30, 2021. The Board of Directors, on the recommendation of the Board Audit Committee, have recommended their re-appointment and their remuneration for the year ending June 30, 2021.

Statement under the Code of 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 within the Islamic Republic of 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.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of Rule Book of Pakistan Stock Exchange.

- h. A summary of key operating and financial data of the Company is annexed.
- i. Information about taxes, levies and value of investments in respect of employees' retirement plans has been disclosed in the notes to the Financial Statements.

The key operating and financial data of the last six years is given on page 98, the pattern of shareholding is provided on page 177 and the details of the related party transactions are provided on page 170.

Forward Looking Statement

The Company expects the coming year to be challenging but is hopeful of improvements in the demand for wire and cable in the latter half of the year. Sluggish demand and tight margins are expected to persist, which will be further impacted by rising energy costs. Uncertainty around the Pak Rupee / US Dollar parity is another risk variable to our business and we will have to remain proactive in trying to reduce risk and maintain margin. We are cautiously optimistic that the market situation may show initial signs of improvement in the second half of the year as the impact of the Government's construction and real estate packages start to take effect. Lower borrowing rates, as well as several other steps taking by the State Bank are also expected to provide some relief to business but it is unclear as to how much they will offset the negative effects of the pandemic.

In recent times, there has been growth in the import of cables, primarily due to various exemptions on duties and sales tax for imports of wire and cables provided to certain CPEC and special projects. The same exemptions are not available if our customers procure the product from local manufacturers of wire and cable. Should this trend continue, the Company's sales may come under pressure. As such, several efforts in recent times have been underway through the All Pakistan Cables and Conductors Manufacturers Association, as the benefits available to imported cables are not available to local manufacturers of wire and cable. This has resulted in an imbalanced playing field, which is an issue that impacts the entire domestic industry.

In this context, the Company's strategy has been to remain proactive with respect to approaching the Government on issues impacting the local industry. The Company will continue its focus towards curtailing cost, while driving forward with enhanced efficiencies and aggressive sales efforts during this challenging time.

Acknowledgement

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the management and the employees of the Company throughout the year. On behalf of the Board

On behalf of the Board of Directors



Mustapha A. Chinoy
Chairman



Fahd Kamal Chinoy
Chief Executive Officer

KARACHI: August 11, 2020

of Directors and employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, stockists, 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.

ہم اپنے تمام گرامر قدر صارفین، ڈسٹری بیوٹرز، سٹاکسٹس، ڈیلرز اور ٹیکرز کے کمپنی پر اعتماد اور بھروسہ پر احسان مند ہیں اور آئندہ سالوں میں کمپنی کی پائیدار ترقی میں ان کی مسلسل حمایت اور کردار کی توقع رکھتے ہیں۔

اس تناظر میں، کمپنی کی حکمت عملی یہ ہے کہ مقامی صنعت کو متاثر کرنے والے معاملات پر حکومت سے مؤثر انداز میں رابطہ کرے۔ اس مشکل وقت میں اپنی کارکردگی اور سیلز کو بڑھا کر کمپنی لاگت میں کمی پر بھرپور توجہ دے رہی ہے۔

اعتراف

ڈائریکٹرز سال بھر میں کمپنی کے ملازمین اور انتظامیہ کی سخت محنت اور جوش و ولولہ کے لئے اپنی خالصانہ حوصلہ افزائی کو ریکارڈ پر رکھنا چاہتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کی جانب سے،

منجانب بورڈ آف ڈائریکٹرز

مصطفیٰ اے چٹائے

چیئر مین

فہد کمال چٹائے

فہد کمال چٹائے

چیف ایگزیکٹو آفیسر

کراچی: 11 اگست، 2020ء

آڈیٹرز

KPMG ٹاٹا شہر ہادی اینڈ کو نے 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کا سالانہ آڈٹ مکمل کر لیا ہے اور غیر مصدقہ رپورٹ جاری کر دی ہے۔

وہ ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر خود کو 30 جون 2021ء کو اختتام پذیر سال کے لئے دوبارہ تقرری کے لئے پیش کرتے ہیں۔ بورڈ آڈٹ کمیٹی کی سفارشات کی روشنی میں بورڈ آف ڈائریکٹرز نے 30 جون 2021ء کو اختتام پذیر سال کے لئے ان کی دوبارہ تقرری کی سفارش کی ہے۔

کمپنی کے اہم فعال اور مالیاتی ڈیٹا کا خلاصہ الف ہذا ہے۔

ملازمین کے ریٹائرمنٹ پلان کی مد میں ٹیکس، لیوی اور سرمایہ داری سے متعلق معلومات کو مالیاتی اسٹیٹمنٹس کے نوٹس میں واضح طور پر بیان کیا گیا ہے۔

گزشتہ چھ سال کے بنیادی آپریٹنگ اور مالی اعداد و شمار صفحہ 98 پر موجود ہیں۔ شیئر ہولڈنگ کی وضع صفحہ 177 پر بیان کی گئی ہے اور متعلقہ پارٹی لین دین کی تفصیلات صفحہ 170 پر فراہم کی گئی ہیں۔

آئندہ کا لائحہ عمل

آئندہ سال کمپنی کے انتہائی مشکل ثابت ہونے کی توقع ہے لیکن اس سال کے اگلے نصف حصے میں وائر اور کیبل کی طلب میں بہتری کی امید ہے۔ ناقص طلب اور مشکل اہداف جاری رہیں گے جس کے نتیجے میں توانائی کی لاگت میں اضافہ ہوگا۔ پاکستانی روپے/ امریکی ڈالر میں کھینچا تانی ہمارے کاروبار کو متاثر کرے گا لہذا ہمیں خطرات کو کم کرنے اور اہداف کو برقرار رکھنے کے لئے بروقت فیصلے کرنے ہوں گے۔ اس سال کے اگلے نصف حصہ میں حکومت کے تعمیریاتی ورکس اسٹیٹ بینک کے اجراء سے منڈی میں بہتری کے لئے ہم پر امید ہیں۔ قرضوں پر کم شرح سود کے علاوہ SBP کے دیگر اقدامات سے کاروبار کو کافی ریلیف ملے گا لیکن یہ واضح نہیں کہ وہ عالمی وبا کے منفی اثرات سے بچنے کے لئے کتنے سود مند ہوں گے۔

CPEC اور خصوصی منصوبوں کی مد میں بنیادی طور پر وائرز اور کیمبلز کی درآمد پر ڈیوٹی اور سیلز ٹیکس پر استثنیٰ کی وجہ سے حال ہی میں، کیمبلز کی درآمد میں اضافہ ہوا ہے۔ اگر ہمارے صارفین وائرز اور کیبل کے مقامی صنعت کاروں سے مصنوعات خریدیں تو یہی استثنیٰ دستیاب نہیں ہوگا۔ اگر یہی رجحان جاری رہا تو کمپنی کی سیلز واپس آ جائیں گی۔ اس لئے، آل پاکستان کیمبلز اینڈ کنڈکٹرز میونسپل کچر اے سی ایشن کے ذریعے حال ہی میں کئی اقدامات پر غور کیا جا رہا ہے کیونکہ وائرز اور کیبل کے مقامی صنعت کاروں کو درآمدی کیمبلز جیسے فوائد دستیاب نہ ہیں۔ اس کے نتیجے میں غیر مسادی پالیٹک فیلڈ نظر آ رہا ہے اور اسی وجہ سے مقامی صنعت بحران کا شکار ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت بیان

کوڈ آف کارپوریٹ گورننس کے کاروباری اور مالیاتی رپورٹنگ فریم ورک کی پیروی میں ہم ازراہ مسرت حسب ذیل بیان کرتے ہیں:

☆ کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالی اسٹیٹمنٹس، کمپنی کے امور، آپریٹنگ کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ انداز میں پیش کرتی ہیں۔

☆ کمپنی نے کھاتوں کی مناسب کتابیں مرتب کی ہیں۔

☆ معقول اور محتاط فیصلوں کی بنیاد پر مالی اسٹیٹمنٹس کی تیاری اور اکاؤنٹنگ تخمینوں میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔

☆ مالی اسٹیٹمنٹس کی تیاری میں اسلامی جمہوریہ پاکستان میں لاگو انٹرنیشنل فائنیشیل رپورٹنگ اسٹینڈرڈز کو عمل میں لایا گیا۔

☆ انٹرنل کنٹرول کا ایک مربوط نظام موجود ہے اور اس کا موثر نفاذ اور نگرانی کی جارہی ہے۔

☆ کمپنی کے کاروبار جاری رکھنے کی صلاحیت میں کوئی نمایاں شک موجود نہ ہے۔

☆ پاکستان سٹاک ایکسچینج کے قواعد میں تفصیلی ضوابط کے مطابق کارپوریٹ گورننس کی بہترین عمل داری میں کوئی ابہام نہ ہے

ملازمین	ہماری افعال کی بنیاد بناتے ہیں اور کمپنی کے لئے انتہائی اہمیت کے حامل ہیں۔	ہمارا رابطہ سازی کا باضابطہ عمل، HR معاملات اور پالیسیاں متنوع اور غیر جانب دار کام کا ماحول تیار کرنے میں مدد دیتی ہیں۔
معاشرہ	ہمارے تمام دیگر اسٹیک ہولڈرز پر مشتمل ہے اور ہم ان پر مثبت اثرات ڈالنے کے لئے مسلسل کوشاں ہیں۔	کاربن باقیات کو کم کرنے کے لئے اقدامات کئے گئے ہیں اور CSR سرگرمیوں کے ذریعے معاشرے کو کچھ واپس بھی کر رہے ہیں۔

جنرل باڈی اجلاس

حالیہ قوانین کے عین مطابق سالانہ اجلاس عام منعقد کئے جاتے ہیں اور غیر معمولی اجلاس عام بھی بوقت ضرورت منعقد کئے جاتے ہیں۔ ان دونوں معاملات میں بورڈ آف ڈائریکٹرز کو موزوں انداز میں پیش کیا جاتا ہے اور حصص داران کو بورڈ کے ساتھ رابطہ سازی کا موقع ملتا ہے۔

اقلیتی حصص داران

اقلیتی حصص داران کو اجلاس میں حصہ لینے کے لئے حوصلہ افزائی کی جاتی ہے۔

☆ عمومی اجلاس کے نوٹس کے ہمراہ کمپنی کی سالانہ رپورٹ اقلیتی حصص داران کو اسی انداز میں ارسال کی جاتی ہے جیسے اکثریتی حصص داران کو بھیجی جاتی ہے۔

☆ عمومی اجلاس میں شرکت اور کمپنی کے امور میں حصہ لینے کی غرض سے اقلیتی حصص داران کی حوصلہ افزائی کی جاتی ہے۔ ذاتی طور پر شرکت نہ کرنے کی صورت میں ان کی نمائندگی اور اجلاس میں شرکت کو یقینی بنانے کے لئے عمومی اجلاس کے نوٹس کے ہمراہ ہر کسی فارم بھی منسلک کیا جاتا ہے۔

☆ کمپنی یقینی بناتی ہے کہ وہ اپنے اجلاس عام میں سوال و جواب سیشن کے لئے وقت متعین کرے تاکہ اقلیتی حصص داران بورڈ آف ڈائریکٹرز کے ساتھ رابطہ کر سکیں اور کمپنی کی کارکردگی سے متعلق سوالات اٹھا سکیں۔ اس طرح کمپنی کے اجلاس عام میں اقلیتی حصص داران کی زیاد تعداد میں حاضری کی حوصلہ افزائی ہوتی ہے۔

کارپوریٹ بریفنگ سیشن

کمپنی سال بھر میں ایک کارپوریٹ بریفنگ سیشن کا اہتمام کرتی ہے۔

قانونی تقاضوں سے تجاوز کرنے والے گورننس امور

لاگو قوانین و ضوابط پر کم از کم سطح پر عمل درآمد کے کلچر کو پروان چڑھانے کے لئے کمپنی پر عزم ہے۔ کمپنی اپنے اعلیٰ معیار کو برقرار رکھنے کے لئے صنعت اور گورننس میں بہترین عوامل کو اپنانے کے لئے ہمہ تن کوشش ہے۔ ہمارے داخلی کنٹرولز یہ یقینی بنانے کے لئے کوشاں ہیں کہ کمپنی اپنی بہترین سادھ کو برقرار رکھ سکے۔

ماضی میں کمپنی کئی اضافی معیارات پر قبل از وقت تعمیل کر چکی ہے جو اس وقت لازمی نہ تھے۔ چند مثالیں حسب ذیل ہیں:

☆ کمپنی کے بورڈ آف ڈائریکٹرز نے ایک یا زائد موقعوں پر کم از کم ایک خاتون ڈائریکٹر کی تقرری کو اہمیت دی ہے۔

☆ علیحدہ علیحدہ چیف ایگزیکٹو آفیسر اور چیئر مین کی ضرورت کو کوڈ آف کارپوریٹ گورننس 2012ء میں متعارف کرایا گیا۔ جب کہ کمپنی کے چیف ایگزیکٹو آفیسر اور چیئر مین گزشتہ تین برسوں سے علیحدہ علیحدہ شخصیات رہی ہیں۔

☆ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ) گورننس کے قواعد 2019ء کے مطابق کم از کم 50 فی صد ڈائریکٹرز 30 جون 2020ء سے قبل تربیت دی جانی چاہئے۔ کمپنی کے 50 فی صد سے زائد ڈائریکٹرز یا تو تربیت یافتہ ہیں یا انہیں اس پروگرام سے استفادہ حاصل ہے۔

سرمایہ داروں کی دادرسی کی پالیسی

اسٹیک ہولڈر سے تعلق

کمپنی اپنے حصص داران کے تحفظات اور شکایات، درخواست پر عمل کرنے کے لئے ایک پالیسی پر عمل پیرا ہے۔

بورڈ آف ڈائریکٹرز کمپنی اسٹیک ہولڈرز کے ساتھ وسیع رابطہ سازی اور شفافیت پر یقین رکھتی ہے۔ بورڈ آف ڈائریکٹرز نے حصص داران سے تعلق کی پالیسی منظور کی ہے جن کی نمایاں خصوصیات حسب ذیل ہیں۔

حصص داران	مقاصد اور ویژن پر عمل درآمد سرمایہ کا استعمال	ہم اپنے سرمایہ داران کی گراماں قدر سپورٹ کا اعتراف کرتے ہیں اور ان کے سرمایہ پر موزوں آمدنی فراہم کر کے انہیں جاری رکھتے ہیں۔
کسٹمرز اور سپلائرز	ہمارے سپلائرز سپورٹ سسٹم ہیں جو ہمیں بہترین کام کرنے کے قابل بناتے ہیں۔ ہمارے صارفین کی وفاداری ہمیں اپنے ویژن اور اہداف کو پچھاننے کے قابل بناتی ہے۔	ہم اس انداز میں اپنے امور سرانجام دیتے ہیں کہ جو ہمارے صارفین اور سپلائرز کی سپورٹ کرنے میں مدد دیتے ہیں جس کے نتیجے میں ڈیلنگ کی چلک دار/موافق شرائط و ضوابط اور بروقت ادائیگی کو یقینی بنایا جاتا ہے۔
بنک اور دیگر قرض خواہان	آئندہ کا لانگ ٹرم اور کم لاگت قرضوں بندہ بست کرنا جس کی وجہ سے ہمیں اپنی آپریشنل کارکردگی بہتر کرنے مدد ملتی ہے۔	ادائیگی کے شیڈول کو ترجیح دے کر اور اپنی ڈیلنگ کی مد میں درست اور شفاف معلومات کے فوائد ہمیں بینک اور دیگر قرض خواہان کے ساتھ بہتر تعلقات استوار کرنے میں مدد دیتے ہیں۔
مینیڈیا	اپنے صارفین اور دیگر اسٹیک ہولڈرز کو باخبر رکھنے کے قابل بنانا ہے اور اپنی مصنوعات، اسکیموں اور دیگر بنیادی معلومات سے متعلق آگاہی کے قابل بنانا ہے۔	کثیر تعداد میں رابطہ کے طریقہ ہائے کار استعمال کئے جاتے ہیں، جو حالات کے مطابق مرتب کئے جاتے ہیں۔ تاکہ ہم معلومات فراہم کر سکیں اور اپنے اسٹیک ہولڈرز کو باخبر رکھ سکیں۔
ریگولیٹرز	مساوی مواقع فراہم کرنے اور شفافیت برقرار رکھنے میں ہماری مدد کرتے ہیں۔	ہم ذمہ دار کاروباری شہری ہیں اور قانونی اور ریگولیٹری فریم ورک کے اندر رہ کر کام کرنے میں ہم فخر محسوس کرتے ہیں۔

مختصر ماکرو ملٹی پرائیویٹ	منتقل الیہ	آزاد ڈائریکٹر	1000	خریداری
مختصر منظرہ والی	منتقل الیہ	آزاد ڈائریکٹر	1000	خریداری

بیرون ملک منعقد کئے گئے بورڈ اجلاس

بورڈ آف ڈائریکٹرز کا کوئی اجلاس اسلامی جمہوریہ پاکستان کی سرحد سے باہر منعقد نہ کیا گیا۔

سالانہ جائزہ

CEO

قانونی ضوابط کے عین مطابق، CEO کی تقرری بورڈ آف ڈائریکٹرز نے منظور کی ہے اور اس تقرری کی مدت 3 سال ہے۔

SECP کی جاری کردہ بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور چیف ریگولیٹری آفیسر کی کارکردگی جائزہ ہدایات کو مد نظر رکھتے ہوئے کردار اور ذمہ داریوں کے تناظر میں CEO کی کارکردگی پر سالانہ نظر ثانی کی جاتی ہے۔

بورڈ آف ڈائریکٹرز

لنڈ کیپٹلز (کوڈ آف کارپوریٹ گورننس) قواعد 2019ء اور SECP کی جاری کردہ بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور چیف ریگولیٹری آفیسر کی کارکردگی جائزہ ہدایات کے عین مطابق بورڈ آف ڈائریکٹرز، بورڈ اراکین اور بورڈ کمیٹیوں کا سالانہ جائزہ لینے کا ایک مربوط نظام موجود ہے۔

بورڈ آف ڈائریکٹرز کے تمام اراکین کو جائزہ لینے کے لئے ضروری دستاویزات حسب ضابطہ ارسال کی جاتی ہیں جسے کمپنی بکریٹری کو بھیجنا بھی لازمی ہے۔ نتائج جامع ہیں اور مجوزہ اقدامات پر بحث کے لئے بورڈ آف ڈائریکٹرز کو پیش کی جاتی ہیں۔

مفادات کا کھراؤ

بورڈ آف ڈائریکٹرز نے ایک پالیسی کی منظوری دی ہے جس کے تحت مفادات یا متوقع مفادات میں ٹکراؤ، کسی بھی صورت میں، متعلقہ عہدیدار/حاکم اس معاملہ کے تعین میں اپنا کردار ادا کرنے سے اجتناب کرے گا۔ مزید برآں، کوئی بھی عہدیدار/حاکم بالواسطہ براہ راست مفادات کا ٹکراؤ سامنے آنے پر یا متوقع طور پر کمپنی کے مفادات کے ساتھ ٹکراؤ پیدا ہونے پر ایسے عمل میں حصہ نہیں لے گا۔

متعلقہ پارٹی لین دین

لاگو قواعد کے تحت کمپنی نے بورڈ آف ڈائریکٹرز سے منظور شدہ متعلقہ پارٹی لین دین کی پالیسی وضع کی ہے جو آرمز لیٹنگھ اور نان آرمز لیٹنگھ ٹرانزیکشن کو ڈیل کرتی ہے۔ مزید برآں، کمپنی موجودہ قواعد کی روشنی میں متعلقہ پارٹی رجسٹر برقرار رکھتی ہے۔

غیر قانونی تجارت

کمپنی نے غیر قانونی تجارت پر پالیسی ترتیب دی ہے۔ مالیاتی نتائج کے اعلان سے قبل کمپنی جائیداد وراثت کا اعلان کرتی ہے۔ ڈائریکٹرز اور ایگزیکٹوز کو بند دورانیہ کے علاوہ کمپنی سکیورٹیز میں تجارت کر سکتے ہیں۔

بورڈ آف ڈائریکٹرز نے کمپنی کیلئے "ایگزیکٹوز" کی تعریف کی ہے اور سالانہ اس کا جائزہ لیتے ہیں۔

غیر ملکی ڈائریکٹرز کی سکیورٹی کلیئرنس

اگر کوئی غیر ملکی ڈائریکٹر جو کمپنی کے بورڈ آف ڈائریکٹرز کے انتخاب میں نامزد ہوتا/ہوتی ہے تو سکیورٹی کلیئرنس کے لئے کمپنی کو ضروری دستاویزات وزارت داخلہ سے کلیئرنس کیلئے جمع کرانی ہوں گی۔

ڈسبل بلونگ پالیسی

کمپنی شفاف اور موثر ڈسبل بلونگ طریقہ کار پر عمل کر کے جواب دہی اور سلیٹ کو یقینی بناتی ہے جس سے پالیسی، کنٹرول، لاگو قواعد سے انحراف یا ضابطہ اخلاق کی خلاف ورزی سے اجتناب ملتا ہے۔

یہ پالیسی کمپنی سے منسلک تمام افراد پر لاگو ہوتی ہے اور اس کے تحت بلا خوف و خطر انکشاف کے لئے اعتماد دیتی ہے۔

رابطہ سازی

کمپنی اپنے حصص داران کے ساتھ درست انداز میں رابطہ سازی کے لئے پرعزم ہے اور سالانہ، نصف سالہ اور سہ ماہی رپورٹس مطلوبہ وقت میں تقسیم کی جاتی ہیں۔ کمپنی اپنی تمام سرگرمیاں اپنی ویب سائٹ www.pakistancables.com پر باقاعدگی سے اپ ڈیٹ کرتی ہے جس میں انویسٹر سے تعلقات کا سیکشن موجود ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

ریگولیٹری قواعد کے مطابق سال میں کم از کم چار مرتبہ بورڈ آف ڈائریکٹرز کے اجلاس منعقد ہوتے ہیں۔ بورڈ کے اجلاس حسب ضرورت اہم اور/یا فوری معاملات پر فیصلہ اور بحث کے لئے منعقد کئے جاتے ہیں۔

مالیاتی سال 2019-2020 کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ ان اجلاس کی حاضری کی تفصیلات حسب ذیل ہیں:

نام ڈائریکٹر	حاضری
محترم مصطفیٰ اے چٹائے	5/6
محترم اکبر علی پٹانی (تقرری 5 مئی 2020ء)	2/2
محترم مظہر عالمی (تقرری 5 مئی 2020ء)	2/2
محترم روڈرک مکڈونلڈ	6/6
مس سینیٹا کنڈاوالہ	5/6
محترم قاتب ایچ شیرازی	3/6
محترم سید محمد طارق بوڈا (منتخب ہوئے 5 مئی 2020ء)	1/2
محترم کمال اے چٹائے	3/6
محترم فہد کمال چٹائے	6/6
محترم فرخ احمد جمیدی (شامل ہوئے 24 جولائی 2019ء اختتام مدت 04 مئی 2020ء)	4/4
محترم ہارون رشید (اختتام مدت 04 مئی 2020ء)	4/4
محترم محمد یونس ڈھاکہ (مستعفی ہوئے 23 جولائی 2019ء)	0/0
مس سعدیہ خان (مستعفی ہوئیں 3 مارچ 2020ء)	2/3

بورڈ آف ڈائریکٹرز میں تبدیلیاں

سال بھر میں بورڈ آف ڈائریکٹرز کی دو عارضی نشستیں خالی ہوئیں۔ ایک جناب محمد یونس ڈھاکہ نے استعفیٰ دیا جو جناب فرخ احمد جمیدی کی تقرری سے اُسی دن پر ہو گئی۔ دوسری عارضی نشست سیکریٹری اینڈ ایگزیکٹو کمیشن آف پاکستان SECP کی کمشنر مقرر ہونے پر مس سعدیہ خان کے استعفیٰ سے خالی ہوئی جو بورڈ آف ڈائریکٹرز کے انتخابات کے نتیجے میں پُر ہوئی۔

5 مئی 2020ء کو تین سال کی مدت کے لئے بورڈ کی تشکیل نو ہوئی۔

ڈائریکٹرز کی آگاہی

چیئرمین نے منتخب ڈائریکٹرز کو کمپنی کے دیگر دستاویزات کے ہمراہ خوش آمدید خط ارسال کرتا ہے۔ بورڈ آف ڈائریکٹرز کے نئے اراکین کو کمپنی اور اس کے مقاصد، کاروباری امور، کارکردگی کے اہم اشاریوں، مالیاتی پوزیشن، بنیادی پالیسیوں اور بورڈ آف ڈائریکٹرز کے کردار و ذمہ داریوں سے واقف کرانے کے لئے انڈکشن پراسیس سے گزارا جاتا ہے۔

ڈائریکٹر ٹریننگ پروگرام

مندرجہ ذیل پانچ ڈائریکٹرز نے SECP کے متعین کردہ معیار کے مطابق مقامی اداروں کے پیش کردہ اپنا ڈائریکٹر ٹریننگ پروگرام مکمل کیا ہے۔

- ☆ محترم اکبر علی پٹانی
- ☆ محترم مظہر عالمی
- ☆ مس سینیٹا کنڈاوالہ
- ☆ محترم کمال اے چٹائے
- ☆ محترم فہد کمال چٹائے

محترم مصطفیٰ اے چٹائے، محترم روڈرک مکڈونلڈ اور محترم قاتب ایچ شیرازی تربیت سے مستعفی ہیں۔

ڈائریکٹرز/ایگزیکٹوین کے اہلیان اور کم سن بچوں کی جانب سے کمپنی کے حصص میں تجارت

کمپنی کے آرٹیکل آف ایسوسی ایشن کے تحت مندرجہ ذیل آزاد ڈائریکٹرز نے کوئی ٹرانزیکشن شئرز / حصص حاصل کرنے کیلئے لین دین کیا۔

گورنرس

چیرمین بورڈ آف ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے عہدے

کمپنی کے چیرمین بورڈ اور چیف ایگزیکٹو آفیسر کے عہدے علیحدہ علیحدہ ہیں اور ان کے کردار اور ذمہ داریوں کی واضح تقسیم ہے۔

چیرمین بورڈ آف ڈائریکٹرز کا کردار

بورڈ آف ڈائریکٹرز کے چیرمین کا بنیادی کام کمپنی کے بورڈ آف ڈائریکٹرز کو منظم کرنا اور انہیں قیادت فراہم کرنا ہے۔ چیرمین بورڈ آف ڈائریکٹرز کو جواب دہ ہے اور بورڈ آف ڈائریکٹرز اور کمپنی انتظامیہ کے مابین چیف ایگزیکٹو آفیسر براہ راست رابطہ سازی کرتا ہے۔ اور حسب ضرورت چیرمین بورڈ آف ڈائریکٹرز کے فیصلوں سے متعلق آگاہی بھی فراہم کرتا ہے۔

چیف ایگزیکٹو آفیسر کا کردار

چیف ایگزیکٹو آفیسر CEO حصص داران کے لئے احترام کا رویہ رکھ کر ترقیاتی کاموں اور کمپنی کے طویل مدتی لائحہ عمل کے نفاذ کے لئے ذمہ دار ہے۔ CEO کا سربراہی کردار یہ بھی ظاہر کرتا ہے کہ وہ انتظامیہ کے روزمرہ کے فیصلوں پر نظر رکھے اور کمپنی کے مقاصد کے حصول کے لئے اپنا کردار ادا کرے۔ CEO بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ کے مابین براہ راست رابطہ سازی کرتا ہے اور انتظامیہ کے متعلق بورڈ آف ڈائریکٹرز کو آگاہ کرتا ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ آف ڈائریکٹرز نو اراکین پر مشتمل ہے، جس کی تفصیلات صفحات 35 سے 39 میں بیان کی گئی ہیں۔

بورڈ آف ڈائریکٹرز نے دو کمیٹیاں بورڈ آف ڈائریکٹرز کی کمیٹی صفحہ 42 پر تفصیلات ملاحظہ فرمائیں اور ہومز ریسورس اینڈ ریمونیشن کمیٹی صفحہ 40 پر تفصیلات ملاحظہ فرمائیں تفصیل دی ہیں۔

بورڈ آف ڈائریکٹرز کا کردار اور ذمہ داریاں

بورڈ آف ڈائریکٹرز کے اراکین اجتماعی و انفرادی طور پر اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔ بورڈ آف ڈائریکٹرز کمپنی کے تمام بڑے فیصلوں میں شامل ہوتا ہے جس میں زیر استعمال سرمایہ داری اخراجات کے بجٹ کی منظوری، سرمایہ کاری، ایکویٹی اور ڈیبت کیپٹل کا اجراء، متعلقہ پارٹی لین دین اور اہم انتظامی عہدوں کی تقرری شامل ہیں۔

بورڈ آف ڈائریکٹرز نے، بورڈ آف ڈائریکٹرز کی سفارشات پر، خطرات کی گورننس پر پالیسی اور انٹرنل کنٹرول پالیسی منظوری کی ہے جس کے تحت یہ کمپنی کے آپریشنز اور کمپنی کی مالی اسٹیٹمنٹس، اندرونی اور بیرونی آڈٹ مشاہدات پر نظر ثانی، اگر کوئی ہے، اور منافع منقسمہ کی سفارشات کی منظوری کے بعد اندرونی مالی کنٹرولز کی موافقت کی گمرانی کرتا ہے۔ بورڈ آف ڈائریکٹرز، بورڈ آف ڈائریکٹرز کی کمیٹی کی سفارشات پر، کمپنی میں نافذ کرنے کے لئے کاروبار جاری رکھنے کا منصوبہ اور آفات سے بحالی کا منصوبہ بھی منظور کیا ہے۔

بورڈ آف ڈائریکٹرز نے کاروبار چلانے اور کمپنی کو لاحق خطرات کی گمرانی / تدارک کے لئے باضابطہ پالیسیوں کی منظوری دی ہے اور ان پر نظر ثانی بھی کی ہے۔ اور خود مختار انٹرنل آڈٹ ڈیپارٹمنٹ کے ذریعے ان کی گمرانی کو یقینی بناتا ہے اور کمپنی پالیسیوں پر عمل درآمد کی مسلسل گمرانی بھی کرتا ہے۔

ڈائریکٹرز کا معاوضہ / مشاہرہ

ڈائریکٹرز کا معاوضہ طے کرنے کے لئے باضابطہ اور شفاف طریق عمل طے ہے اور کوئی بھی ڈائریکٹر اپنے معاوضہ کے تعین میں شامل نہیں ہو سکتا ہے۔ معاوضہ کی حد کو مناسب سطح پر رکھا جاتا ہے تاکہ ڈائریکٹرز کو گرویدہ کر کے برقرار رکھا جاسکے تاہم اس بات کا خیال رکھا جاتا ہے کہ یہ حد آزادی پر روک ٹوک نہ لگائے۔



پیشہ ورانہ صحت اور تحفظ پر HSE کے اہداف میں مندرجہ ذیل شامل ہیں:

☆ مشین گارڈنگ

☆ فیکٹری کے فلور پر PPE کا لازمی استعمال

☆ پان اور گٹکا کھانے اور تھوکنے کے مضرات پر آگاہی سیمینار

☆ ایکسٹریکل حادثات سے بچاؤ کے لئے لاک آؤٹ اور ٹیگ آؤٹ پروگرام کا آغاز

☆ متحرک فائر ہائڈرنٹ ٹرایلوں کی بہتات

☆ صحت اور اصول صحت سے متعلق ماہانہ سروے کا انعقاد

☆ کمپنی کے ڈاکٹر کی جانب سے تمام ملازمین کے عمومی طبی معائنہ کا انعقاد

☆ PVC پلائٹ اور پاؤڈر ریکلیکٹر پر اینیڈو انزنگ مقام، ڈی ٹیکنگ / خام مال چارجنگ مقام پر کام کرنے والے ملازمین کے لئے پلموئری فنکشن ٹیسٹ کا اہتمام

☆ ایلمینیم پروفائل برنس میں پاؤڈر کوئنگ مقام پر اندرونی سطح میں ہوا کے بہتر معیار کے لئے OHS&E اقدامات پر کامیابی سے عمل کیا گیا ہے۔ خود مختار انوائرنمنٹ مانیٹرنگ کنسلٹنٹ (IEMC) سے ان اقدامات کی تصدیق کرائی گئی ہے اور ٹیسٹ کے نتائج حوصلہ افزا ہیں۔

☆ خوراک کو چینڈل کرنے والے افراد کے لئے ویکسی میشن پروگرام کا انعقاد

☆ ”تعمیرات میں تحفظ“ سے متعلق OHS&E - انتظامی سسٹم وضع کیا گیا ہے اور نوری آباد میں نئی فیکٹری سائٹ پر نافذ کیا گیا ہے۔

انتظامی مقاصد کو مد نظر رکھتے ہوئے، کمپنی OHS 45001:2018 (آکسیجنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم) کے نئے معیار کے مطابق تصدیق شدہ ہے۔ کمپنی پاکستان کی بہترین کمپنیوں میں سے ایک ہے جس نے نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ کے ساتویں، آٹھویں، دسویں، بارہویں اور سولہویں سالانہ انوائرنمنٹ ایکسلنس ایوارڈ حاصل کئے ہیں۔ کمپنی کی تاریخ میں پہلی مرتبہ نیشنل فورم برائے انوائرنمنٹ اینڈ ہیلتھ (NFEH) کے زیر اہتمام ”انوائرنمنٹ اینڈ ویسٹ مینجمنٹ/ری سائیکل“ کیٹیگری میں CSR ایوارڈ حاصل کیا ہے۔

COVID-19 وبا کے دوران ملازمین کی صحت اور تحفظ کے لئے کمپنی نے ”کوویڈ وائرس تدارک پلان“ (CCP) وضع اور نافذ کیا ہے۔ CCP اور حکومتی SOP آگاہی کو مد نظر رکھتے ہوئے

COVID-19 احتیاطی تدابیر پر کونسلنگ سیشن منعقد کئے گئے ہیں۔ مندرجہ ذیل اہم احتیاطی تدابیر کو اپنایا گیا ہے:

☆ جراثیم کش واک تحر و گیش موجودہ اور زیر تعمیر فیکٹری میں نصب کئے گئے ہیں۔

☆ تمام مراکز/دفاتر پر درجہ حرارت چیک کرنے کی سہولت۔

☆ تمام دفاتر کے نمایاں مقامات پر ہینڈ سینیٹائزر رکھنا۔

☆ تمام ورک اسٹیشنز کو روزانہ جراثیم سے پاک کرنا۔

☆ ہر فرد کو چہرے کا ماسک اور ہینڈ سینیٹائزر رکھنا۔

☆ سماجی فاصلہ اور گھر سے کام کی حکمت کو برقرار رکھنا۔

☆ حکومتی SOP کی تعمیل پر مربوط نگرانی۔

ترہیت اور ڈیو پلیمینٹ

متعدد ترقیاتی سیشنز کے ذریعے سال بھر میں حفاظتی کلچر کو متعارف کرایا گیا ہے۔ مستقبل قریب میں کمپنی HSE ماڈیول کی صورت میں ای لرننگ اقدامات متعارف کرانے والی ہے۔ اس طرح سے جاری OHS&E تربیت، ڈیو پلیمینٹ اور لرننگ پروگرامز کے لئے نیا پلیٹ فارم میسر آئے گا۔ سال بھر میں مختلف OHS&E سیشنز کی مدد میں 1,384 انسانی گھنٹے صرف کئے گئے ہیں۔

صارفین کے تحفظ کے لئے اقدامات

کمپنی اوپنی جیٹل حکمت عمل کو بروئے کار لاکر کمپنی صارفین کے آرام و سکون کے لئے اپنی مصنوعات تک رسائی میں مسلسل اضافہ کر رہی ہے۔ جون 2020ء میں کمپنی نے صارفین کے لئے وٹس ایپ سہولت متعارف کرائی ہے جس کے ذریعے وہ مصنوعات کی مفت اور بروقت تصدیق کر سکتے ہیں۔ 2015ء سے مصنوعات تصدیق کرنے کی سہولت بذریعہ SMS دستیاب تھی جہاں مصنوعات کے پیک پر لکھے خفیہ کوڈ کو صارفین 8006 SMS کر کے فوری تصدیق کر سکتے تھے۔ سال 2016ء میں مصنوعات تصدیق کرنے کی سہولت ویب سائٹ پر بھی موجود تھی۔ 2019ء کے مقابلہ میں 2020ء میں تصدیق کرنے والوں کی تعداد میں 18 فی صد اضافہ ہوا ہے۔ ان سہولیات کی فراہمی سے اخلاقی برتری کی حوالے سے مارکیٹ میں کمپنی کی پوزیشن مضبوط ہوئی ہے۔ جس سے ثابت ہوتا ہے کہ کمپنی اپنے معزز صارفین کے لئے معیار پر سمجھوتہ نہیں کرتی۔

تنوع

تمام ملازمین کے ساتھ مساوی سلوک اور غیر جانبدار ماحول کی برقراری کمپنی کے مقاصد کی بنیادی خاصیت ہے۔ کمپنی مختلف کچھ اور ایمان سے تعلق رکھنے والے لوگوں کے کردار کو پہچانتی ہے۔

خصوصاً، خواتین کے لئے خود مختار، محفوظ اور قابل عمل ماحول فراہم کرنے کے لئے کوشاں ہے۔ موجودہ انتظامیہ میں خواتین ملازمین کی 6.7 فی صد نمائندگی ہے۔ کمپنی نے خواتین کا عالمی دن بھی منایا ہے جس میں تمام خواتین ملازمین کو اعلیٰ انتظامیہ بشمول CEO کے ساتھ ایک میز پر بیٹھ کر کام کے دوران رکاوٹوں کے متعلق سیر حاصل گفتگو ہوئی ہے۔ کمپنی نے حال ہی میں خاتون ملازمین کے لئے خواتین کے شیلٹر ہوم کے دورہ اور ضیافت کا بھی اہتمام کیا ہے۔

کمپنی کا خواتین ملازمین کے ساتھ رابطہ سازی کا ایک مربوط نظام ہے جس کے ذریعے خواتین ملازمین اپنے تحفظات اور تجاویز کا اظہار کر سکتی ہیں تاکہ کمپنی مساوی مواقع فراہم کرنے والے آج کی حیثیت سے اپنی پوزیشن کو مضبوط کر سکے۔



ہراسی سے متعلق پالیسی

لاگو قوانین کی روشنی میں کمپنی نے اپنے ملازمین کو ہراسی سے بچانے کے لئے ایک پالیسی ترتیب دی ہے۔ کمپنی کام کا اعلیٰ اور معیار ماحول فراہم کرنے میں فخر محسوس کرتی ہے جس کے ذریعے ملازمین مددگار اور محفوظ ماحول میں کام کرنے اور یکے کے قابل ہوتے ہیں۔ اپنی ملازمین کو ہراساں کرنے پر کمپنی صفر برداشت کے اصول پر عمل پیرا ہے۔

معذور لوگوں کے لئے ملازمت

کمپنی معذور لوگوں کی حوصلہ افزائی کو سماجی اور اخلاقی ذمہ داری سمجھتی ہے۔ اور یہ یقینی بناتی ہے کہ ان کی معذوری ان کی ملازمت میں رکاوٹ نہ بنے۔ فی الوقت گیارہ ملازمین کمپنی میں معذوری کے ساتھ ملازم ہیں۔

فوری آباد سائٹ پر کمپنی کی نئی فیکٹری معذور لوگوں کے لئے آسان رسائی کو مد نظر رکھ کر ڈیزائن کی گئی ہے۔

پیشہ ورانہ صحت اور تحفظ

ہمارے لوگوں کی صحت اور تحفظ کا خیال رکھنا اور کام کے صحت ماحول کو یقینی بنانا کمپنی کے لئے انتہائی اہمیت کا حامل ہے۔ اس طرح کمپنی کام کی جگہ کو اس طرح مرتب کرنے کے لئے پرعزم ہے کہ کام سے متعلق خطرات کو کم کیا جاسکے اور پیشہ ورانہ حفظان صحت کو یقینی بنایا جاسکے۔ کمپنی ایک جامع صحت، تحفظ اور ماحول کے انتظامی سسٹم اور HSE پالیسی کی حامل ہے۔ HSE ضوابط پر عمل کرنے کے ہر ملازم کے فرض کو مضبوط بناتی پروگرام اور خود ساختہ آڈٹ، انٹرنل آڈٹ اور مسلسل انتظامی جائزہ کے ذریعے یقینی بنایا جاتا ہے۔ تمام شعبوں کے HSE اندرونی اور بیرونی لگاؤ تار آڈٹ کئے جاتے ہیں تاکہ تعمیل کا جائزہ لیا جاسکے۔ متعلقہ طریق عمل کی مسلسل تجدید کی جاتی ہے تاکہ تمام واقعات کی فوری رپورٹنگ کی حوصلہ افزائی کر کے کام کی جگہ کو حادثات سے پاک رکھا جائے۔ بعد ازاں اس پر سخت تحقیق کی جاتی ہے تاکہ مستقبل میں ایسے حادثات سے بچا جاسکے۔

☆ پاکستان کیملز-UET وظیفہ فئڈ (لاہور اور فیصل آباد)

کمپنی اور UET لاہور کے انتظام سے یونیورسٹی وظیفے دیئے جاتے ہیں جس کے تحت UET لاہور اور فیصل آباد کے مستحق طلباء کی مالی معاونت کی جاتی ہے۔ اور اب یہ دوسرے سال میں داخل ہو چکا ہے۔ UET کے ایگزیکٹو ایجنسٹرنگ ڈیپارٹمنٹ میں داخل 8 طلباء کو وظیفے دیئے جا چکے ہیں۔ کمپنی نے UET کی انتظامیہ سے درخواست گزاروں کے مابین جنسی توازن پر زور دینے کو کہا ہے۔ تاکہ مستحق طلباء وظائف کو مساوی مواقع مل سکیں۔

کیوٹی سرمایہ داری اور فلاحی سکیس

کمپنی کئی اقدامات میں معاونت سے پاکستان بھر میں تعلیمی اداروں کی مدد کرتی ہے جس کے نتیجے میں نوجوانوں میں غیر نصابی سرگرمیوں کی ترغیب میں مدد ملتی ہے۔ اور مستقبل میں پاکستان میں ماہرین کی ایک نسل کو نکھارنے میں مدد ملتی ہے۔

قومی مقاصد کے لئے عطیات

ایک محبت وطن کاروباری شہری ہونے پر کمپنی کو فخر ہے۔ نہ صرف اس نے 2019ء میں جشن آزادی دھوم دھام سے منایا ہے بلکہ کمپنی قومی اہمیت کے باطنی مقاصد کے لئے پرجوش حصہ دار بھی ہے۔



30 اگست 2019ء کو کمپنی نے وزیر اعظم کی کال پر یکجہتی کشمیر اور منایا ہے۔

سال 2019-20ء کے دوران، کمپنی نے قومی اہمیت کے اہم مقاصد میں عطیات دیئے ہیں۔

☆ الزمرہ وظیفہ سرائیویشن

☆ الحراب طبی امداد

☆ کراچی ریلیف ٹرسٹ

☆ روبرو سوسائٹی برائے منیٹل ہیلتھ



اس لحاظ سے ہماری دلچسپی کے امور صرف ماحولیاتی تحفظ، تعلیم، صحت، معاشرے کی سماجی بہتری تک محدود نہیں۔

کمپنی نے غیر ادا شدہ منافع منقسمہ کی رقم کو منافع کے حامل اکاؤنٹ میں جمع کروانا شروع کر دیا ہے۔ یہاں سے حاصل منافع CSR مقاصد کے لئے استعمال ہوگا۔

CSR سرگرمیاں

سال 2019-20ء کے دوران، CSR سرگرمیوں اور عطیات کی مدد میں کمپنی نے 5.08 ملین روپے سے زائد خرچ کئے ہیں۔ رواں سال میں کمپنی نے اپنے CSR ایجنڈا کو جلا بخشنے کے لئے منتخب اطلاقی شراکت داروں سے معاہدہ کیا:

☆ انجمن حسانی

☆ HOPE

☆ NOWPDP

☆ پرسکون کراچی سوسائٹی

☆ یونیورسٹی آف انجینئرنگ اینڈ ٹیکنالوجی (UET) لاہور

☆ زبیدہ چیمپارہ ٹرسٹ

اہم CSR اقدامات میں شامل ہیں:

☆ کراچی ریلیف ٹرسٹ (KRT) کی جانب سے COVID-19 فلاح کے لئے مقررہ سپورٹ

کمپنی نے COVID-19 ریلیف کوششوں میں مدد اور رقم کو سیدھا کرنے میں تعاون کا اعادہ کیا ہے۔ اس عزم میں کراچی ریلیف ٹرسٹ (KRT) کی جانب 2 ملین روپے کا عطیہ شامل ہے۔ KRT کراچی اور سندھ کے دیگر مقامات میں عالمی وبا سے متاثرہ گھروں کو راشن تقسیم کر رہی ہے۔ کمپنی نے ڈیجیٹل پبلک آگاہی مہم میں بھی سرمایہ کاری کی ہے اور اس کے لوگوں کو عوامی خدمت پیغام اقدام کے تحت سماجی فاصلہ کی ضرورت سے متعلق آگاہی کے لئے چین ماہ کی مدت تک تبدیل بھی کیا ہے۔

☆ معذوروں کو خود مختار بنانا

معذوروں کو پڑھنے اور نشوونما کے مساوی مواقع فراہم کرنے کے لئے کمپنی نے کراچی میں Inclusion اکیڈمی قائم کرنے کے لئے NOWPDP کے ساتھ ہاتھ ملایا ہے۔ Inclusion اکیڈمی ایک سکول پروجیکٹ ہے جو معاشرے کے مفلس و نادار طبقے سے معذور بچوں کو تعلیم کے زریعہ سے آراستہ کرتا ہے۔ Inclusion اکیڈمی ایک این جی او NOWPDP کی جانب سے معذور بچوں کے لئے پہلا جاری کردہ پروجیکٹ ہے جو دیگر NGO کے ساتھ مل کر پاکستان میں معذور بچوں کے لئے تربیتی پروگرام پیش کرتا ہے۔ سال 2019ء کے آغاز میں NOWPDP نے سمجھوتے کی یادداشت پر دستخط کئے ہیں۔ کمپنی نے ایک تربیتی مرکز کی تعمیر میں بھی تعاون کیا ہے جو NOWPDP کے دفتر کی حدود میں قائم کیا گیا ہے۔ تاکہ معذور بچوں کو خود مختار بنانے کے لئے NOWPDP کے زیر اہتمام ووکیشنل ٹریننگ میں معاونت کی جاسکے۔

توانائی کے بحران سے بچنے کے لئے کمپنی کی کاوشیں

توانائی کے دیگر رپورٹ کئے گئے ذخائر کے علاوہ کمپنی توانائی کے بحران پر قابو پانے کے لئے جدوجہد کر رہی ہے۔ کمپنی نے اپنا مقید پاور پلانٹ قائم کیا ہے جس کے ذریعے متبادل توانائی فراہم کی جاتی ہے اور توانائی کے شعبے پر دباؤ کم ہو جاتا ہے۔

توانائی کی بچت

کمپنی توانائی کے محدود وسائل کو خوش اصولی سے استعمال کرنے کی اہمیت کو سمجھتی ہے اور توانائی کی بچت کے لئے مندرجہ ذیل کاوشوں پر کام کر رہی ہے:

☆ ”ارتھ آوری اہمیت“ پر ملازمین کے لئے آگاہی سیمینار

☆ روزمرہ کی زندگی میں توانائی کی بچت کے طریقوں پر تصویری ہدایات کی تنصیب

☆ دن کے کھانے اور نماز کے وقت مائٹرز، روشنیوں، پنکھوں اور ایئر کنڈیشنرز کی کمپنی میں بندش

☆ ٹیوب لائٹس اور بلب کو LED / انرجی سیورز سے تبدیل کرنا

☆ نئی تعمیرات اس طرح کرنا کہ قدرتی روشنی کو زیادہ سے زیادہ استعمال کیا جاسکے

مزید برآں، کمپنی کا مقید پاور پلانٹ ضائع حرارت کی ریکوری اور بخارات کو جذب کرنے والے چلرز سے لیس ہے۔ اور گیس اور بجلی کو زیادہ مہارت سے استعمال کرنے کے قابل ہے تاکہ توانائی کی بچت ہو سکے۔

ماحولیاتی تحفظ کے لئے اقدامات

کمپنی ”ماحول دوست“ مصنوعات کی تیاری میں فخر محسوس کرتی ہے۔ کمپنی عالمی معیار کے مطابق پاکستان میں اعلیٰ معیار کی وائر اور کیبل تیار کرنے کے کاروبار سے منسلک ہے۔ اپنی کیبلز کی تیاری میں اعلیٰ معیار کی کاوشیں کرنے کی وجہ سے ہماری کیبلز کم لائٹس لاز ہونے پر بجلی کی بچت میں اہم کردار ادا کرتی ہیں۔ اسی طرح سے ALUMEX، کٹڑی کی کھڑکیوں اور دروازوں کا متبادل، جنگلات کے کٹاؤ میں کمی لانے میں مدد دیتی ہے۔ آلودگی کو کنٹرول کرنے اور صاف، سبز اور صحت مند ماحول کو برقرار رکھنے کے لئے متعدد اقدامات کئے گئے ہیں۔ ان اقدامات میں استعمال کی گئی گیس کا ماحول میں اخراج سے بچاؤ، ضائع حرارت کی ری سائیکلنگ اور پودوں کے تحفظ کے لئے مسلسل

کوشش اور باریک کچھ کے ذریعے فیکٹری کے ارد گرد صاف ماحول کی برقراری اور بہتر ہاؤس کیننگ وغیرہ شامل ہیں۔

کمپنی انوائرنمنٹل مینجمنٹ سسٹم (EMS) 14001:2015 کے تازہ ترین معیار کے لئے منظور شدہ ہے۔ مزید برآں، کمپنی مندرجہ ذیل کو اپنا کر ماحولیاتی تحفظ کے لئے کوشاں ہے:

☆ تمام ماحولیاتی قانونی فرائمنس کی تعمیل کے ساتھ ساتھ ISO 14001 کے عالمی معیار پر عمل درآمد (انوائرنمنٹل مینجمنٹ سسٹم)

☆ خارج مادوں، گرد و غبار، شور اور محصور آواز کے معیار کی وقفہ وار نگرانی۔

☆ یہ یقینی بنانا کہ تمام ضائع خارج مادوں کے ٹیسٹ نتائج سندھ انوائرنمنٹل کوالٹی اسٹینڈرڈز کی حدود میں ہیں۔

☆ مائع کیمیکلز / آکسز اور لیبریکیشنز کی نقل و حمل کے لئے ثانوی محدود حل کا قیام۔

☆ پلاسٹک 4Rs کا نفاذ (کمی/دوبارہ استعمال/ری سائیکل/تبدیلی) عمل میں لایا گیا۔

☆ تلف مواد کو اکٹھا کرنے اور ضائع کرنے کو یقینی بنانا، مثلاً تلفی سے قبل SEQ معیارات کے مطابق ضائع مواد کو ٹھکانے لگانا۔

☆ نور آڈیٹ میں زیر تعمیر رقبہ کا SEPA کے منظور شدہ ابتدائی ماحولیاتی معیار (IEE)۔ اس تناظر میں، ایک خود مختار ماحولیاتی نگرانی مشین (IEMC) زیر تعمیر سائٹ کا دورہ کیا تاکہ SEPA کے جاری IEE کی تعمیل کی نگرانی کی جاسکے اور نتائج کو حوصلہ افزا کیا گیا۔

CSR پالیسی

کمپنی کاروبار باری سماجی ذمہ داری کو کاروباری نقطہ نظر سے دیکھتی ہے جس کے نتیجے میں عوام کے لئے معاشی، سماجی اور ماحولیاتی فوائد کو بڑھا کر پائیدار ترقی کی جانب اپنا کردار ادا کر رہی ہے۔ بہتر کاروباری شہری بننا کمپنی کی بنیادی اقدار میں شامل ہے اور یہی اقدار کمپنی کے عزائم میں شامل ہیں۔

کمپنی کی انتظامیہ اور گورننس کے ذمہ دار کاروباری شہری بننے کے اپنے فرائمنس سے بخوبی آگاہ ہیں اور اس تناظر میں وہ مکمل طور پر پر عزم ہیں۔ کمپنی یہ یقینی بنانے کے لئے پر عزم ہے کہ اپنے کاموں کے دوران صحت، تحفظ اور ماحولیات میں اچھی اقدار کو برقرار رکھا جائے۔ مزید برآں، سماجی بہتری پر بھرپور توجہ کمپنی کا خاصہ ہا ہے جس کے ذریعے پاکستان میں کئی آبادیوں کی مدد کی جارہی ہے۔

مقابلہ میں اضافہ	مارکیٹ	مصنوعات کی ترتیب کو تقبیر پذیر کرنا اور متقابل سے آگے رہنے کے لئے فروخت کی حکمت عملی مرتب کرنا۔ برتری کے معیار کو برقرار رکھنا۔
آپریٹل خدشات		
IT سیکورٹی کا ختم ہو جانا	ہیکنگ، قدرتی آفات، وائرس	آئی ٹی پر مضبوط کنٹرول، باقاعدہ آڈٹ اور آئی ٹی کنٹرول کی نگرانی
توانائی کی عدم دستیابی	توانائی کا قومی بحران	مقید پاور پلانٹ کا قیام اور حکومت کی جانب سے گیس کے اضافی اجراء سے مستفید ہونا
بنیادی عمل کی کمی	مارکیٹ اتار چڑھاؤ	جامع تسلسل کی منصوبہ بندی کرنا جس سے اعلیٰ کارکردگی دکھانے والے ملازمین کی نشاندہی کی جاسکے۔
مالی خدشات		
زرمبادلہ کے خدشات	روپے کی قدر میں کمی	غیر ملکی کرنسی میں قرض حاصل کرنے میں کمی اور مبادلہ کی شرحی سطحوں کی مسلسل نگرانی

پائیداری

ESG پالیسی

بورڈ آف ڈائریکٹرز نے ماحولیاتی، سماجی اور گورننس (ESG) پالیسی منظور کی ہے جس کے تحت کچنی امور کے تمام پہلوؤں پر ماحولیاتی، سماجی اور کاروباری گورننس کو اکٹھا کرتا ہے۔ اس میں سرمایہ داری کا جائزہ، فیصلہ سازی اور ملکیتی امور شامل ہیں۔

خارج مادوں کے صنعتی اثرات کا خاتمہ اور سماجی آگاہی

کچنی کاربن اثرات سے بہت زیادہ باخبر ہے اور معاشرے پر اپنی ذمہ داری سے بھی آگاہ ہے۔ پس کچنی نے اپنے کاموں کے اثرات کو کم کرنے کے لئے مندرجہ ذیل عوامل کا اطلاق کیا ہے:

- ☆ گرد آلود ٹریکوں/گڑھوں کی متواتر صفائی تاکہ خارج مادوں کی "محفوظ صفائی" کو یقینی بنایا جاسکے۔
- ☆ ضائع پانی کے وائرٹرینٹ پلانٹ کی روانی کو یقینی بنانا اور سندھ انوائرنمنٹ پروٹیکشن ایجنسی (SEPA) سے تصدیق شدہ ٹھیکے داروں کے ذریعے گارے/باقیات کو مناسب انداز میں ضائع کرتا۔
- ☆ خارج مادوں کی متواتر نگرانی اور سندھ انوائرنمنٹ کوآپریٹو سٹینڈرڈز (SEQS) کی مرتب کردہ حدود میں نتائج حاصل کرنا۔
- ☆ واضح آگاہی کے پروگراموں اور فلائرز کے ذریعے ماحولیاتی آگاہی کے "صاف اور سبز ماحول" پروگرام کا انعقاد۔

ایوارڈز

رواں سال کے دوران کمپنی نے برآمدات کے لئے 43 واں FPCCI میرٹ ایوارڈ اور ACCC کنڈکٹرز کے لئے تکنیکی ایڈوانسمنٹ میں کردار پر 7 ویں FPCCI ایوارڈ حاصل کیا۔ اسے چودھویں کنزیومر چوائس ایوارڈ اور انجینئرنگ سیکٹر میں بہترین کاروباری اور سسٹم انٹیلی ریپورٹ ایوارڈ 2019ء سے بھی نوازا گیا۔



خطرات اور مواقع کی رپورٹنگ

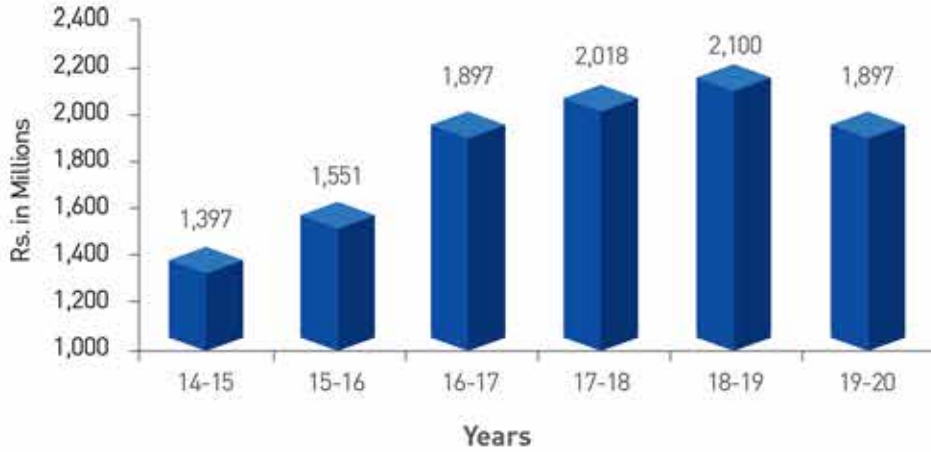
بورڈ آف ڈائریکٹرز کمپنی کو درپیش اہم خطرات کا تعین کرتا ہے جس میں وہ خطرات بھی شامل ہیں جو کاروباری امور، کارکردگی اور کمپنی کی ایسالیٹ پر اثر انداز ہوتے ہیں۔ اب تک متعین خطرات کا خلاصہ حسب ذیل ہے:

حکمت عملی سے متعلق خطرات		
متغیر تکنیکالوجی معیارات سے موجودہ مصنوعات کا ناکارہ ہونا۔	تبدیلی کی ترتیبات	متغیر ترتیبات اور منڈی کے رجحانات کی نگرانی۔ منڈی کے تمام شعبوں سے متعلق پروڈکٹ پورٹ فولیو کو مستحکم کرنا۔
تجارتی خطرات		
کیبل اور وائر کی درآمد میں اضافہ	حکومتی پالیسیاں	مقامی صنعت کے تحفظ کے لئے حکومتی پالیسی میں تبدیلی کے لئے آواز اٹھانا
دھاتوں کی قیمتوں میں عدم استحکام	لندن میٹل ایکسچینج	کمپنی خطرات سے نپٹنے اور حل کرنے کی جامع حکمت عملی کی حامل ہے جس کے تحت یہ یقینی بنانے کی کوشش کی جاتی ہے کہ کاپر اور ایلومینیم کی قیمتوں میں اتار چڑھاؤ کی وجہ سے خسارہ نہ ہو۔
غیر معیاری کیبل اور غیر منظم شعبہ کی جانب سے جعلی مصنوعات	غیر دستاویزی پیداوار اور سپلائی سیکٹر	کمپنی نے اس خطرہ سے خبردار رہا ہونے کے لئے متعدد اقدامات کئے ہیں جیسا کہ IP تحفظ میں متحرک چالٹین سے رابطہ اور مصنوعات کی توثیق کے نظام کی تعارف جس سے صارفین SMS یا انٹرنیٹ کے ذریعے مصنوعات کی صداقت کی توثیق کر سکیں۔
انویٹری سے متعلقہ خطرہ	متغیر سپلائی ڈیمانڈز	درست اشیاء کی نشان دہی اور مصنوعات کی تعداد کو اپنی فہرست میں رکھنے کی غرض سے صارفین کے آرڈر اور باقاعدہ نگرانی پر عمل کرنا۔

قومی معیشت میں کردار

سال بھر میں محصولات، سیکلنگس وغیرہ کی مد میں قومی خزانہ میں کمپنی نے 1,897 ملین روپے جمع کرائے ہیں۔ (2018-19: 2,100 ملین روپے)۔

Contribution to National Economy



صنعتی تعلقات

صنعتی تعلقات کی ٹیم کام کا موافق ماحول قائم کرنے میں انتظامیہ کی معاونت کرتی ہے تاکہ کمپنی اپنے ملازمین کی جانب سماجی اور قانونی ذمہ داریوں بشمول کام کی نوعیت، کام کے دوران معیار زندگی اور HSE معیارات کی برقراری کو یقینی بنایا جاسکے۔ یہ شعبہ لیبر لاز، خدمات کے قوانین، یونین معاہدوں اور تادیبی کارروائیوں کے متعلقہ شعبوں کو پیشہ ورانہ مشورہ/مدد فراہم کرتا ہے۔

30 جون 2020ء کو ملازمین کی مجموعی تعداد 474 تھی۔ تمام سطحوں پر ملازمین سے تعلقات سال بھر میں خوشگوار رہے۔ یونین اور انتظامیہ کے تعلقات دوستانہ رہے اور زیر جائزہ سال کے دوران صنعتی سکون بھی قائم رہا۔

انفارمیشن ٹیکنالوجی

تازہ ترین ٹیکنالوجی اور قومی سطح پر ڈیجیٹل انقلاب کے لئے کاوشوں پر اپنے عزم کے عین مطابق کمپنی معیاری ٹیکنالوجی پلیٹ فارمز میں سرمایہ کاری کرتی ہے۔ کمپنی پیداوار بڑھانے کیلئے ERP کے وسیع نفاذ پر بھی زور دیتی ہے جو دکان کے امور کو معیاری اور ڈیجیٹل کرنے میں مدد دے گا۔ تاکہ دکان پر سرگرمیوں سے متعلق حقیقی اور بروقت نگرانی جاری رہے۔ اس طرح شفافیت اور رہنمائی کے ذریعے میٹرل کے ضیاع میں کمی ہوگی اور کام بھی جاری رہے گا۔

مادی تبدیلیاں

جناب کمال اے چٹائے نے کمپنی کے چیف ایگزیکٹو کے عہدہ سے استعفیٰ دے دیا ہے اور یکم جولائی سے موثر 2019 فہر کے چٹائے کو نیا چیف ایگزیکٹو ایفیر مقرر کیا گیا ہے۔

انسانی سرمایہ

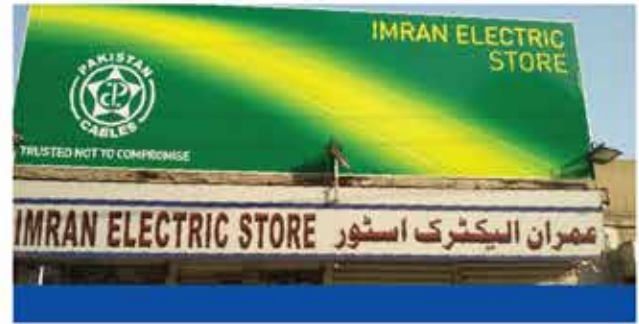
انسانی وسائل کی ٹیم عملہ میں اضافہ کے لئے کمپنی کی صلاحیت بڑھانے اور اس کی مدد کرنے میں ہمیشہ متحرک رہی ہے۔ انسانی وسائل کی ٹیم انسانی صلاحیت کو نکھارنے اور اسے درست سمت میں ڈالنے کے لئے کمپنی کی مدد کرتی ہے تاکہ کمپنی اپنے اہداف اور بصیرت کو حاصل کر سکے۔ یہ ٹیم متعلقہ شعبوں میں بھرتی اور تربیت کے لئے ضروریات کی شناخت کرنے اور کمپنی میں درست افراد کو شامل کرنے کے لئے بھرتی کرنے کی حکمت عملی طے کرنے کی ذمہ دار ہے۔ یہ ٹیم ملازمین کی صلاحیت کو سامنے لانے کا بھی عہدہ کرتی ہے اور بھرتی کے مختلف سرگرمیوں جیسا کہ کیریئر فیئر منعقد کرنے کی بھی ذمہ دار ہے۔

ایچ آر۔ سکیشن پالیسی

یورڈ آف ڈائریکٹرز نے تسلسل کی منصوبہ بندی پالیسی منظور کی ہے جس کے تحت کمپنی اہم عہدوں کی خالی نشست سے کوہڈ کرنے کے لئے طے شدہ اور موزوں تربیت یافتہ ملازمین کو بھرتی کرتی ہے۔ تاکہ ذمہ داریوں کو آسانی سے منتقل کیا جاسکے اور اور کمپنی کے امور بھی لگاتار چلتے رہیں۔

کاروباری جائزہ

تغیراتی سرگرمی میں سست روی کے ساتھ وائز اور کیبلز کی درآمد شروع ہو گئی اور مقامی صنعت کو گھمبیر مسائل کا سامنا کرنا پڑا۔ کیبل انڈسٹری کی اضافی صلاحیت کے ساتھ مارچن سال بھر میں منجمد رہے۔ COVID سے متاثرہ کاروباری حالات اور مارکیٹوں کی بندش سے طلب کے گراف میں کمی واقع ہوئی۔ بہر حال، کمپنی پر امید ہے کہ پاکستان میں حکومت کی جانب سے جاری کردہ کم شرح سود پر قرضوں اور حالیہ تعمیراتی / رینیل اسٹیٹ پیکیج کی وجہ سے بنیادی ڈھانچے کی ترقی اور تعمیرات کا مستقبل روشن ہے۔ اس طرح وائز اور کیبلز کی طلب میں درمیانی سے طویل مدت تک اضافہ کی توقع کی جا رہی ہے۔

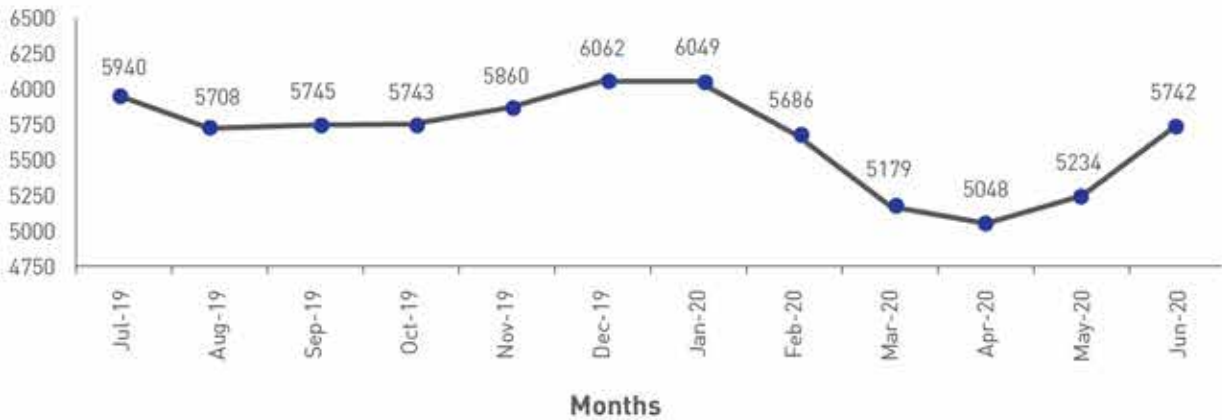


عالمی کاپر اور ایلومینیم منظر نامہ

کنیلز، کاپر کی سلاخوں، کنڈکٹرز اور ایلومینیم کالکٹات کی قیمتیں کاپر اور ایلومینیم کی عالمی منڈی سے منسلک ہیں۔ دونوں بنیادی میٹریل کی لندن میٹل ایکسچینج (LME) میں تجارت کی جاتی ہے جو دنیا کی سب سے بڑی غیر آہنی دھاتی مارکیٹ ہے۔ ان دونوں دھاتوں کی قیمت کا تعین LME کرتا ہے اور کاپر اور ایلومینیم کی قیمتوں میں اتار چڑھاؤ کا ہماری مصنوعات کی قیمت پر براہ راست اثر ہوتا ہے۔

سال بھر میں LME پر کاپر کی قیمت 4,617 ڈالر سے 6,300 ڈالر فی ٹن رہی۔ سال کے پہلے نصف حصے میں قیمتوں میں استحکام رہا اور اس کی زیادہ تر تجارت 5,700 ڈالر سے 5,900 ڈالر فی ٹن کی شرح سے ہوئی جب کہ دسمبر کے دوسرے نصف حصے میں قیمت 6000 ڈالر فی ٹن سے تجاوز کر گئی۔ تاہم جنوری کے اختتام سے قیمتوں میں کمی واقع ہونا شروع ہوئی اور COVID-19 حملہ کی وجہ سے مارچ 2020ء میں 4,600 ڈالر فی ٹن تک گر گئی۔ جبکہ COVID-19 کے بعد اس کی قیمت میں اضافہ ہونا شروع ہو گیا اور یہ قیمت 6000 ڈالر فی ٹن تک پہنچ گئی۔ 30 جون 2020ء تک اس کی قیمت 6,038 ڈالر فی ٹن تھی۔ LME پر کاپر کی اوسط قیمتوں کا گراف حسب ذیل ہے:

Average Monthly L.M.E. of Copper US\$ / Ton
July 2019 - June 2020



کیش فلو اور ایسالیٹ

کمپنی شرح سود اور زرمبادلہ پر گہری نگرانی رکھتے ہوئے متوقع بچت یا معاشی استحکام کے تمام مواقع سے استفادہ حاصل کر رہی ہے۔

اس مدت میں کمپنی نے کوئی معاہدہ نہیں کیا ہے جو کمپنی کی معاشی حالت پر منفی اثرات مرتب کرے۔

کمپنی مجموعی ایسالیٹ کو یقینی بنانے کے لئے کیش فلو پر مسلسل نگرانی رکھے ہوئے ہے۔ مالی سال کے دوران، آپریشنز سے کمپنی کا کیش فلو 1,105.0 ملین روپے تھا۔ کمپنی نے ادھار پر مکمل کنٹرول، بہتر وصولی اور ذخائر کو کم کر کے آپریٹنگ کیش فلو کو تقویت بخشا۔

تخصیص

مختص منافع کی تفصیل حسب ذیل ہے:

2019-20

روپے '000

(91,786)

16,794

(74,992)

76,632

13,244

14,884

خالص نقصان علاوہ ٹیکس

دیگر جامع آمدنی

کل جامع خسارہ

گذشتہ برس کا غیر تخصیص شدہ منافع (آگے لایا گیا)

عمارت کی قیمت کے دوبارہ تعین پر سرپلس سے منتقلی - ملکی

تخصیص

30 جون 2019 کو اختتام پذیر سال کے لئے 1.00 روپے فی حصص (10 فی صد) کی شرح سے حتمی نقد منافع

مستحکم کی ادائیگی

30 جون 2019 کو اختتام پذیر سال کے لئے عمومی ذخائر کو منتقلی

غیر تخصیص شدہ خسارہ (آگے منتقلی کے لئے)

35,578

41,000

(61,694)

14,884

(2.58)

روپے

فی حصص نقصان

گزشتہ سال کے 1,145.7 ملین روپے (سیلز کا 11.8 فی صد) مجموعی نفع کے مقابلہ میں رواں سال 860.3 ملین روپے (سیلز کا 9.5 فی صد) کا مجموعی منافع حاصل کیا گیا۔ مجموعی منافع میں کمی منڈی میں سخت مقابلے کی فضا اور ڈالر کے مقابلہ میں روپے کی قدر میں کمی سے منسوب کیا جاتا ہے جس کی وجہ سے ہماری لاگت میں اضافہ ہوا جنہیں صارفین کو منتقل نہیں کیا جاسکا۔

گزشتہ سال کی اس مدت کے دوران 509.8 ملین روپے کے مارکیٹنگ، سیلنگ اور ڈسٹری بیوٹن اخراجات کے مقابلہ میں رواں سال یہی اخراجات 435.1 ملین روپے رہے۔ یہ کمی تسمیری اخراجات نہ ہونے کی وجہ سے ہوئی۔ گزشتہ سال کی اسی مدت کے دوران 188.6 ملین روپے کے مقابلہ میں رواں سال 283.3 ملین روپے قرضوں پر لاگت درج کی گئی۔ یہ اضافہ امریکی ڈالر میں قرضوں پر پچھنچ خسارہ اور رواں سال زیادہ تر بلند شرح سود کی وجہ سے تھا۔

ملک میں جاری مشکل معاشی صورت حال، عالمی وبا، بحران، پاکستانی روپے کی قدر میں تیز رفتار کمی اور مارکیٹ میں سخت مقابلہ کے نتیجے میں گزشتہ برس کی اسی مدت میں 126.2 ملین روپے منافع کے مقابلہ میں کمپنی کو 91.8 ملین روپے کے خسارہ بعد از ٹیکس کا سامنا کرنا پڑا۔



کمپنی صارفین کی ارتقا پذیر ضروریات اور ٹیکنالوجی رجحانات کی باریکی سے نگرانی کرتی ہے۔ اجتماعی سطح پر ایک جامع پروڈکٹ ڈیولپمنٹ پروگرام وضع کیا گیا ہے۔ حالیہ اوقات میں صارف کے تحفظ پر بھرپور توجہ کے ساتھ متعدد صارفین زیادہ آگ سے مزاحمت اور آگ کی صورت میں کم حصوں جیسی حفاظتی خصوصیات پر مشتمل کیبلز کا انتخاب کرتے ہیں۔ اس طرح پاکستان میں سب سے پہلے کمپنی نے لوسوک زبردیلو جن (LSZH) پاور کیبلز متعارف کرائی ہیں جسے دنیا کی معروف کمپنی KEMA لیبارٹری نے ٹیسٹ کیا ہے۔ ہمارے علم کے مطابق، پاکستان کیبلز پاکستان کی واحد کمپنی ہے جو فائبرسٹنگ لیبارٹری کی حامل ہے۔

کمپنی نے 20 ستمبر 2019 کو اپنا ای سٹور متعارف کرایا ہے۔ جو پاکستان کی واحد کیبل کمپنی ہے جس نے ای کامرس پلیٹ فارم کا آغاز کیا ہے۔ سٹور آغا ز میں کراچی، لاہور، اسلام آباد اور راولپنڈی تک محیط تھا۔ فروری 2020ء میں اس نے پاکستان کے تمام بڑے 50 شہروں میں ای سٹور کی توسیع کر دی ہے۔



کاروباری کارکردگی

مالیاتی سال 2020ء پاکستانی معیشت کے لئے بہت مشکل سال رہا۔ COVID-19 کی عالمی وبا نے تمام معیشتوں کو اپنی پلیٹ میں لے لیا ہے اور پاکستان سمیت دنیا بھر میں ایک متعدی مرض کے طور پر ابھرا ہے۔ مزید یہ کہ سال بھر میں امریکی ڈالر کے مقابلہ میں روپے کی قدر میں نمایاں کمی ہوئی ہے۔ کاروبار اور معیشت پر اثرات کو کم کرنے کے لئے SBP نے مالیاتی اور معاشی محاذوں پر کئی اقدامات متعارف کرائے ہیں۔ اس میں پالیسی کی شرح میں 625 بیس پوائنٹس کی کمی، قرضوں کی بنیادی رقم کا اتوار عایدی شرح پر قرضوں کی ری فائنسنگ، تنخواہ پر دی فائنسنگ وغیرہ شامل ہیں تاکہ کاروباری افراد کو ریلیف مل سکے۔

سال بھر میں ملک میں جاری ابتر معاشی صورت حال کی وجہ سے کمپنی کی ٹاپ لائن میں تخفیف کی گئی ہے۔ کمپنی نے 9.1 ملین روپے کی فروخت ہوئی جو گزشتہ برس میں 9.7 ملین فروخت سے 6 فی صد کم ہے۔ حکومت کی جانب سے نافذ لاک ڈاؤن کی وجہ سے سیلز میں کمی واقع ہوئی جس کی وجہ سے فیکٹری کے آپریشنز میں قفل ہوا۔

ڈائریکٹرز کی رپورٹ

30 جون 2020ء کو اختتام پذیر سال کے لئے بورڈ آف ڈائریکٹرز کمپنی کے پڑتال شدہ کھاتوں کے ہمراہ 67 ویں سالانہ رپورٹ ازراہ سرت پیش کرتے ہیں۔

کمپنی کا جائزہ

کمپنی اپنے تمام امور میں لگاؤ اور بہتری کو یقینی بنانے کے لئے پرعزم ہے۔ طلب کی پائیک کو منظر مل اور پیداواری منصوبہ بندی کے ساتھ منسلک کر کے کاروباری طریقہ کار اپنا کر آرڈر کو پورا کرنے کا عمل موثر انداز میں لاگو کرنا اس کا بنیادی مقصد ہے۔ پیشینگوئی میں مسلسل کامیابی کے ذریعے کئی شعبوں میں فوائد سامنے آ رہے ہیں۔

کمپنی نے زیادہ منافع بخش شعبوں میں سرمایہ داری میں صلاحیت پیدا کر کے اعلیٰ پیداوار حاصل کرنے کے لئے رفتار کڑی ہے۔ مصنوعات کی فہرست میں ایک نئی پروڈکٹ، ACCC کنڈکٹر کا اضافہ کیا گیا ہے جسے آئندہ ترسیلی اور تقسیمی کنڈکٹر بنانے کا ہدف ہے جس سے توانائی کے ضیاع میں کمی، کم جھکاؤ اور بجلی کی زیادہ صلاحیت کے فوائد حاصل ہوں گے۔ اس کے علاوہ کمپنی کی جانب سے مارکیٹ میں متعارف کی گئی کئی نئی پروڈکٹس میں سرمایہ اور پیش رفت ہوئی ہے تاکہ مارکیٹ کے رجحانات میں پیش پیش رہ سکیں۔

مزید برآں کمپنی لین سیکس سکما کلچر متعارف کرا رہی ہے تاکہ مسلسل بہتری، صلاحیت میں اضافہ اور عملی کاموں میں مسلسل معیار کو یقینی بنایا جاسکے۔ نوجوان انجینئرزنگ ملازمین کی گرومنگ کی جاتی ہے تاکہ وہ لین سیکس سکما کے نفاذ میں مہارت حاصل کر سکیں اور کمپنی اپنی طویل مدتی حکمت عملی کو بروئے کار لا کر عالمی معیاری صنعت بن جائے۔ Kaizen سرگرمیوں پر بھی زور دیا جاتا ہے جس میں ورکرز اور انتظامی ملازمین بہتری کے اقدامات کی تجویز دے سکیں اور مسلسل ترقی کے کلچر کے لئے راستہ ہموار کر سکیں۔

1953ء میں قیام سے پاکستان کیلکولمینڈ پاکستان کی کیبل انڈسٹری میں بانی کمپنیوں میں شمار ہوتی ہے۔ کمپنی 1953ء سے بنیادی طور پر کنڈکٹرز، کیبلز اور بجلی کی ترسیل اور تقسیم کے لئے چاروں کی تیاری سے منسلک ہے۔ کمپنی گذشتہ چار دہائیوں سے Alum-Ex کے نام سے ایلومینیم سیکشور/ایکسٹرنل وڈز بھی تیار کر رہی ہے۔ سال 2008ء میں کمپنی نے اعلیٰ معیار کی برقی تار گریڈ PVC تیار کرنے کے لئے کمپاؤنڈنگ پلانٹ نصب کیا تاکہ کمپنی عالمی معیار کے کارپوراٹ PVC اور کمپاؤنڈنگ پلانٹ کی صورت میں اپنے دو اہم خام مال کو استعمال کر سکے۔ کمپنی نے 2 میگا واٹ ٹرائی جزیشن پاور پلانٹ میں بھی سرمایہ داری کی ہے۔ یہ پلانٹ یقینی بناتے ہیں کہ کمپنی کو بجلی کی بلا قحط فراہمی اور کم ترین لاگت پر اہم خام مال کی دستیابی جاری رہے۔

کمپنی نے نئے پیداواری یونٹ قائم کرنے کے لئے سال 2018ء میں نوری آباد میں 142 ایکڑ اراضی خریدی ہے۔ فی الوقت ماحول کے لئے سازگار فیئٹری کے ڈیزائن اور تعمیر پر منصوبہ بندی جاری ہے۔ کمپنی 2021ء کے اختتام پر کمپنی فی فیئٹری پر کام کو مکمل کرنے کے لئے پرامید ہے۔ جس کے نتیجے میں صنعت کاری کے کام نوری آباد فیئٹری اور حالیہ SITE فیئٹری میں تقسیم کر دیے جائیں گے۔

کارکردگی کا جائزہ

کاروبار میں ترقی

آج کی مارکیٹ میں وہ مقابلہ جاری رکھنے کے لئے کاروباری امور میں پیش رفت ہر صنعت کا خاصہ ہے۔ کمپنی مسلسل کاروباری عمل میں ری انجینئرنگ سرگرمیوں میں مصروف عمل ہے تاکہ کمپنی اپنی سرگرمیوں کو بہتر کر سکے اور فعال، تکنیکی اور انجینئرنگ امور میں تکنیکی ارتقا سے فائدہ اٹھا سکے۔ ایسے اقدامات پر کام جاری ہے جس سے کارکردگی، لیڈ ٹائم، کم انوینٹری اور کم ضیاع جیسے حوال میں بہتری ہو۔ کمپنی بنیادی افعال کی نگرانی اور موزوں نموداری کو یقینی بنانے کی غرض سے انتظامات میں بہتری لانے کے لئے کوشاں ہے اور اپنے ERP سسٹم کے ذریعے رپورٹنگ اور شفافیت پر بھرپور توجہ دے رہی ہے۔ آپریشنل پرفارمنس مینٹنٹ (OPM) ERP ماڈیول کا اطلاق ہو چکا ہے اور طریق عمل میں طے شدہ کارکردگی کے لئے آئندہ سالوں میں مکمل ہونے کی توقع ہے۔

YOUR SAFETY, OUR POWER

CORPORATE GOVERNANCE



Review Report on the Statement of Compliance Contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Cables Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference wherein it is stated in the Statement of Compliance:

Paragraph Reference	Description
i) 18	Composition of audit committee having at least three members comprising of non-executive directors and at least one independent director.

Place: Karachi
Date: August 20th, 2020



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: **Pakistan Cables Limited (the “Company”)**

Year ending: **June 30, 2020**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “**Regulations**”) in the following manner: -

1. The total number of Directors are 9 as per the following:
 - a. Male: 8
 - b. Female: 1
2. The composition of the Board of Directors is as follows:

Category	Names
Independent Directors	<ol style="list-style-type: none">1) Mr. Akbar Ali Pesnani2) Mr. Mazhar Valjee3) Ms. Spenta Kandawalla (Female Director)
Non-Executive Directors	<ol style="list-style-type: none">1) Mr. Mustapha A. Chinoy (Chairman)2) Mr. Roderick Macdonald3) Mr. Saquib H. Shirazi4) Mr. Syed Muhammad Tariq Huda
Executive Directors	<ol style="list-style-type: none">1) Mr. Kamal A. Chinoy2) Mr. Fahd Kamal Chinoy (Chief Executive Officer)

The Board was reconstituted on May 5, 2020 for a term of three years

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. 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;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 (the “**Act**”) and the Regulations;

7. 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. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. Out of the nine Directors, the following five Directors have obtained a certificate of Directors' Training Program:
 - i. Mr. Akbar Ali Pesnani
 - ii. Mr. Mazhar Valjee
 - iii. Ms. Spenta Kandawalla
 - iv. Mr. Kamal A. Chinoy
 - v. Mr. Fahd Kamal Chinoy

The following three Directors are exempt from the requirement of Directors' Training Program as per the Regulations:

- i. Mr. Mustapha A. Chinoy
- ii. Mr. Roderick Macdonald
- iii. Mr. Saquib H. Shirazi

The remaining one Director, Mr. Syed Muhammad Tariq Huda, will undertake the Directors' Training Program within the stipulated time.

10. The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Board Audit Committee:	Mr. Akbar Ali Pesnani (Chair) Mr. Roderick Macdonald (Member) Mr. Kamal A. Chinoy (Member)
b) Human Resource and Remuneration Committee:	Ms. Spenta Kandawalla (Chair) Mr. Mazhar Valjee (Member) Mr. Roderick Macdonald (Member) Mr. Fahd Kamal Chinoy (Member)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as follows:
 - a) Board Audit Committee: Quarterly
 - b) Human Resource and Remuneration Committee: Biannually

15. The Board has set up an effective internal audit function;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27 (excluding 1(i)), 32, 33 and 36 of the Regulations have been complied with. The Company has applied to the SECP for a temporary extension with respect to regulation 27(1)(i) which it intends to comply with as soon as possible.

On behalf of the Board of Directors



Mustapha A. Chinoy
Chairman



Fahd Kamal Chinoy
Chief Executive Officer

KARACHI: August 11th, 2020

YOUR FAITH, OUR POWER

FINANCIAL HIGHLIGHTS

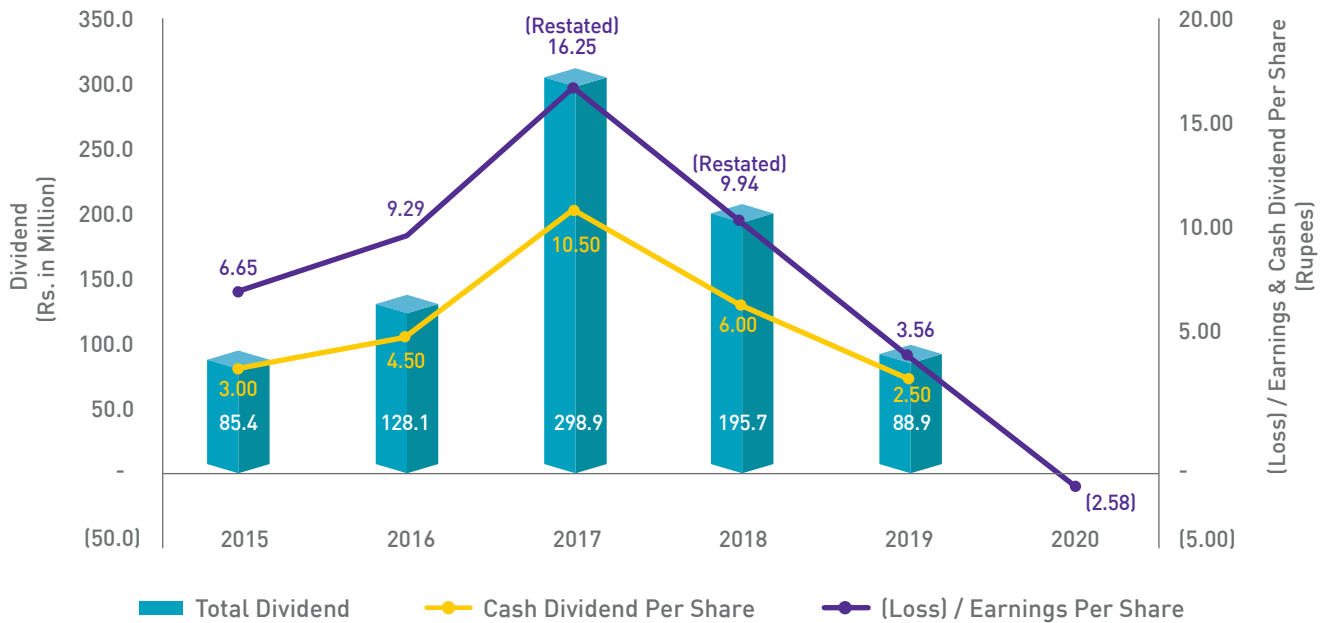


Key Financial Data

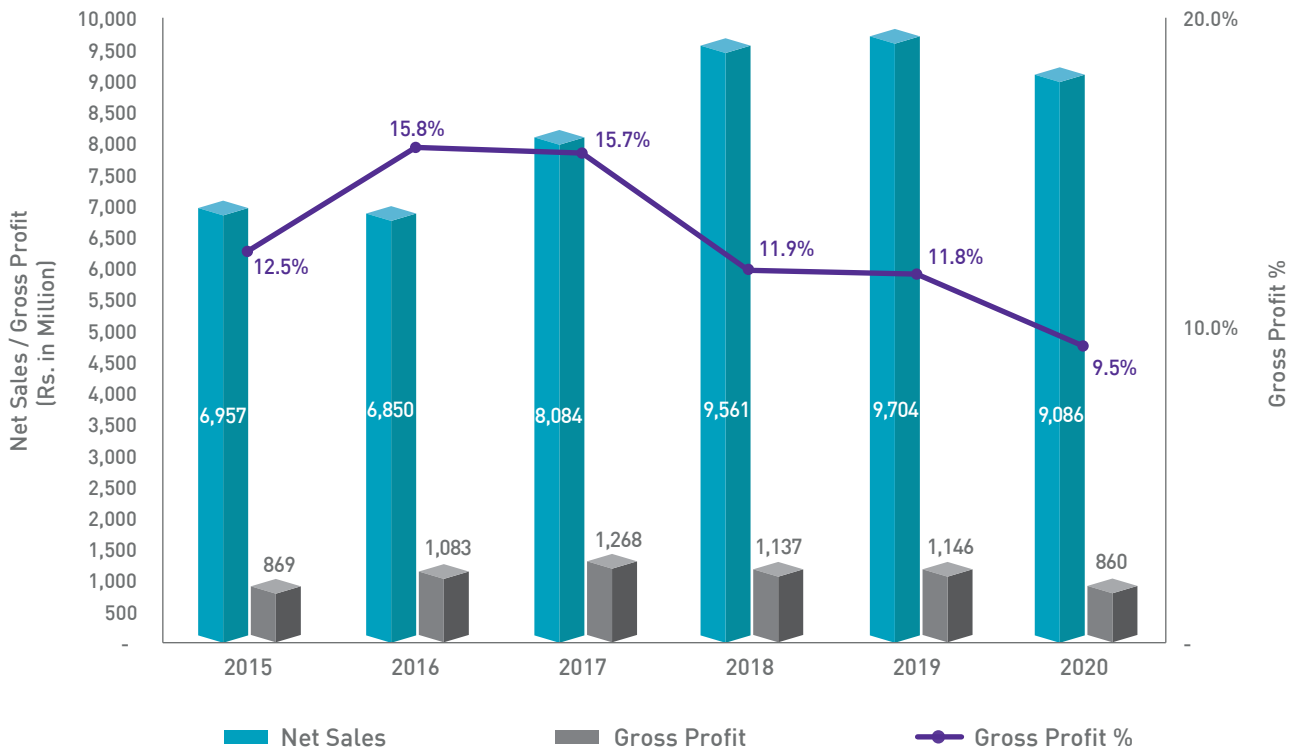
		2020	2019	2018	2017	2016	2015
Profitability Ratios							
Sales	Rs. in Mill.	9,086.1	9,704.3	9,561.0	8,083.5	6,849.6	6,956.7
Gross Profit	Rs. in Mill.	860.3	1,145.7	1,137.1	1,267.5	1,082.9	869.2
(Loss) / Profit After Tax	Rs. in Mill.	(91.8)	126.2	305.3	478.5	264.3	189.3
Dividend	Rs. in Mill.	-	88.9	195.7	298.9	128.1	85.4
Gross Profit Percentage	%	9.47	11.81	11.89	15.68	15.80	12.50
Net (Loss) / Profit to Sales	%	(1.01)	1.30	3.20	5.92	3.86	2.72
EBIT	Rs. in Mill.	218.8	365.0	477.4	689.9	488.0	372.6
EBITDA	Rs. in Mill.	451.1	580.7	691.7	887.5	654.5	515.1
EBITDA Margin to Sales	%	4.96	5.98	7.23	10.98	9.56	7.40
Return on Equity							
- without revaluation reserve	%	(2.91)	3.88	13.87	23.82	14.20	11.10
- with revaluation reserve	%	(1.92)	2.59	9.24	15.38	8.90	7.50
Return on Capital Employed	%	3.93	6.38	11.43	20.10	14.61	13.94
Liquidity Ratios							
Current Ratio		1.5 : 1	1.8 : 1	1.6 : 1	1.5 : 1	1.7 : 1	1.7 : 1
Quick / Acid Test Ratio		0.8 : 1	1 : 1	1 : 1	0.7 : 1	0.8 : 1	0.8 : 1
Cash to Current Liabilities	Times	0.03	0.03	0.19	0.02	0.03	0.01
Cash Flows from Operations to Sales	Times	0.12	(0.03)	(0.06)	0.01	0.07	0.07
Activity / Turnover Ratios							
Total Assets Turnover Ratio	Times	1.08	1.15	1.33	1.40	1.35	1.67
Fixed Assets Turnover Ratio	Times	2.23	2.86	4.36	3.72	3.26	4.36
Stock-in-Trade Turnover Ratio	Times	4.01	4.12	4.35	3.94	4.10	4.71
Number of Days in Stock-in-Trade	Days	91	89	84	93	89	78
Trade Debts Turnover Ratio	Times	5.69	5.61	6.81	8.11	8.11	8.17
Number of Days in Trade Debts	Days	64	65	54	45	45	45
Creditors Turnover Ratio	Times	25.46	47.71	32.46	19.44	23.65	30.17
Number of Days in Creditors	Days	14	8	11	19	15	12
Operating Cycle	Days	141	146	127	119	119	111
Investment / Market Ratios							
(Loss) / Earnings Per Share-Basic & Diluted	Rupees	(2.58)	3.56	9.94	16.25	9.29	6.65
Price Earning Ratio	Times	(41.43)	39.49	18.11	19.69	18.36	25.03
Price to Book Ratio	Times	0.01	0.02	0.03	0.06	0.03	0.04
Dividend Yield Ratio	%	-	1.78	3.21	3.28	2.64	1.80
Dividend Payout Ratio	%	-	70.46	64.08	62.46	48.46	45.11
Dividend Cover Ratio	Times	-	1.42	1.56	1.60	2.06	2.22
Cash Dividend Per Share	Rupees	-	2.50	6.00	10.50	4.50	3.00
Market Value Per Share							
- year end	Rupees	106.89	140.52	186.95	320.00	170.50	166.50
- high during the year	Rupees	142.83	213.66	352.88	376.91	222.20	204.26
- low during the year	Rupees	85.69	109.00	186.95	162.82	127.57	87.02
Break-up value Per Share							
- without revaluation reserve	Rupees	88.74	91.48	84.21	70.56	65.59	59.74
- with revaluation reserve	Rupees	134.08	137.10	119.26	109.32	104.73	88.65
- with revaluation reserve & investment in related party at fair/market value	Rupees	135.39	138.35	122.33	112.01	106.19	89.59
Capital Structure Ratios							
Financial Leverage Ratio	Times	0.76	0.73	0.91	0.86	0.70	0.65
Weighted Average Cost to Debt	%	12.82	9.92	6.58	5.27	6.36	8.37
Debt to Equity Ratio							
(as per book and as per market value)		14 : 86	15 : 85	10 : 90	9 : 91	11 : 89	06 : 94
Interest Cover Ratio	Times	0.77	1.94	3.57	10.51	6.04	3.05

Financial Snapshot

Dividend vs (Loss) / Earnings Per Share

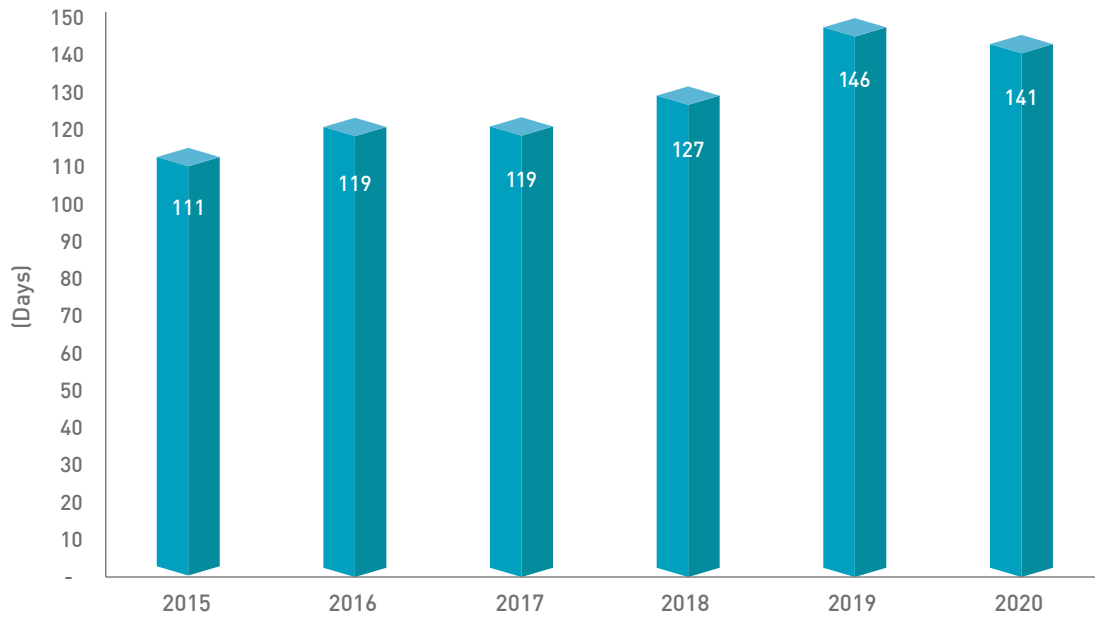


Net Sales and Gross Profit

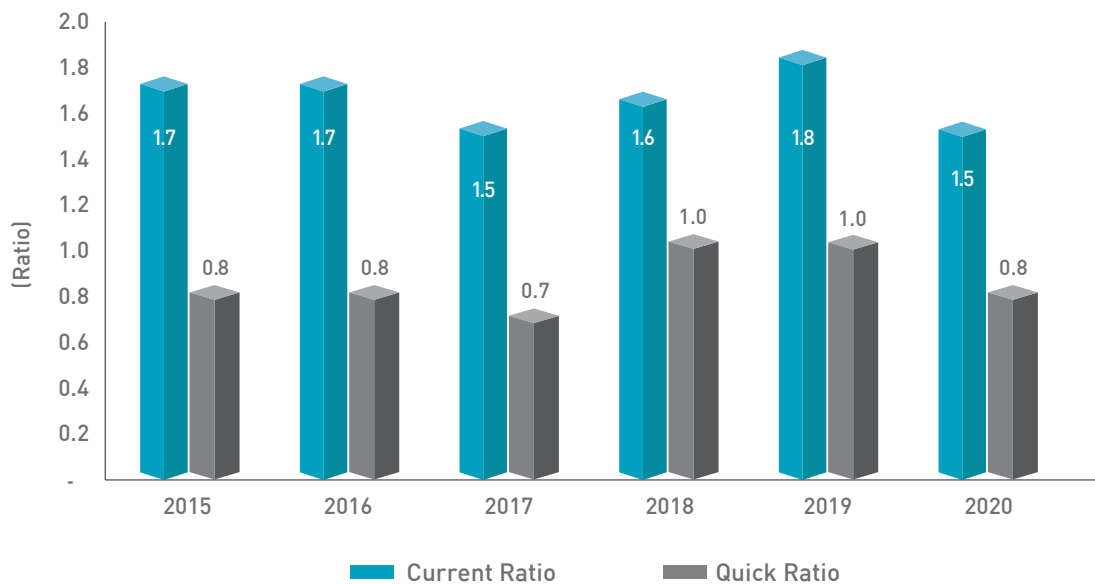


Financial Snapshot

Cash Operating Cycle

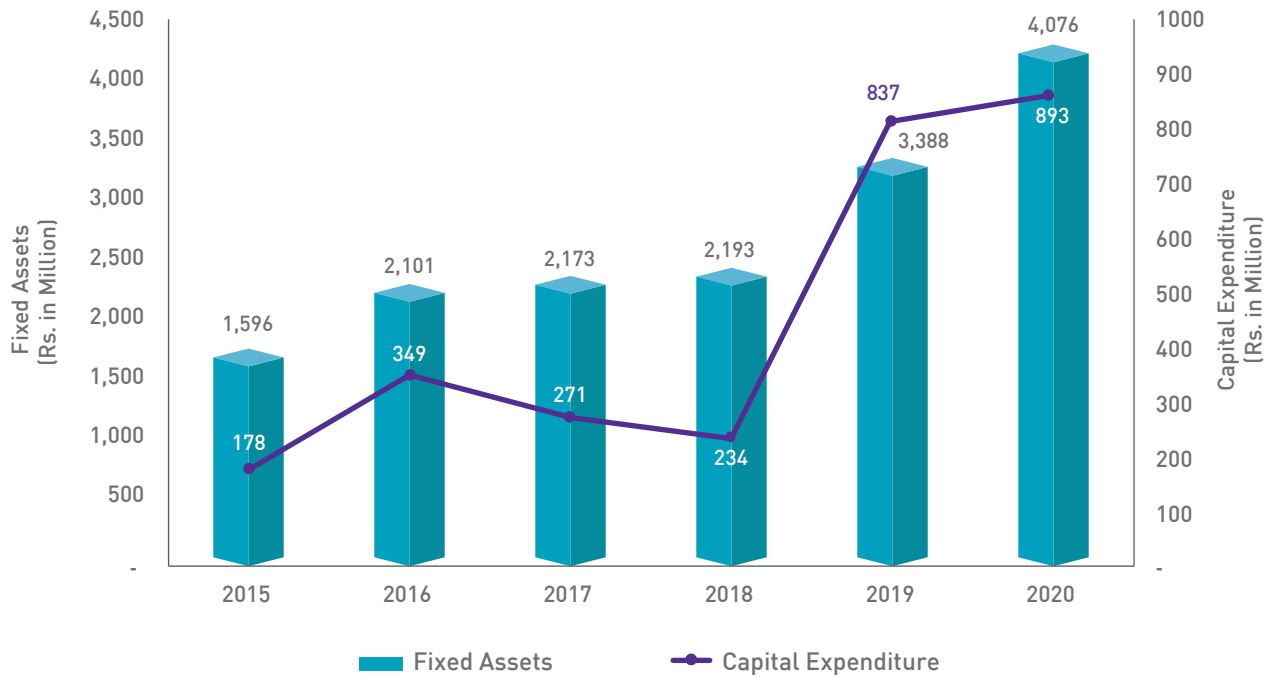


Liquidity

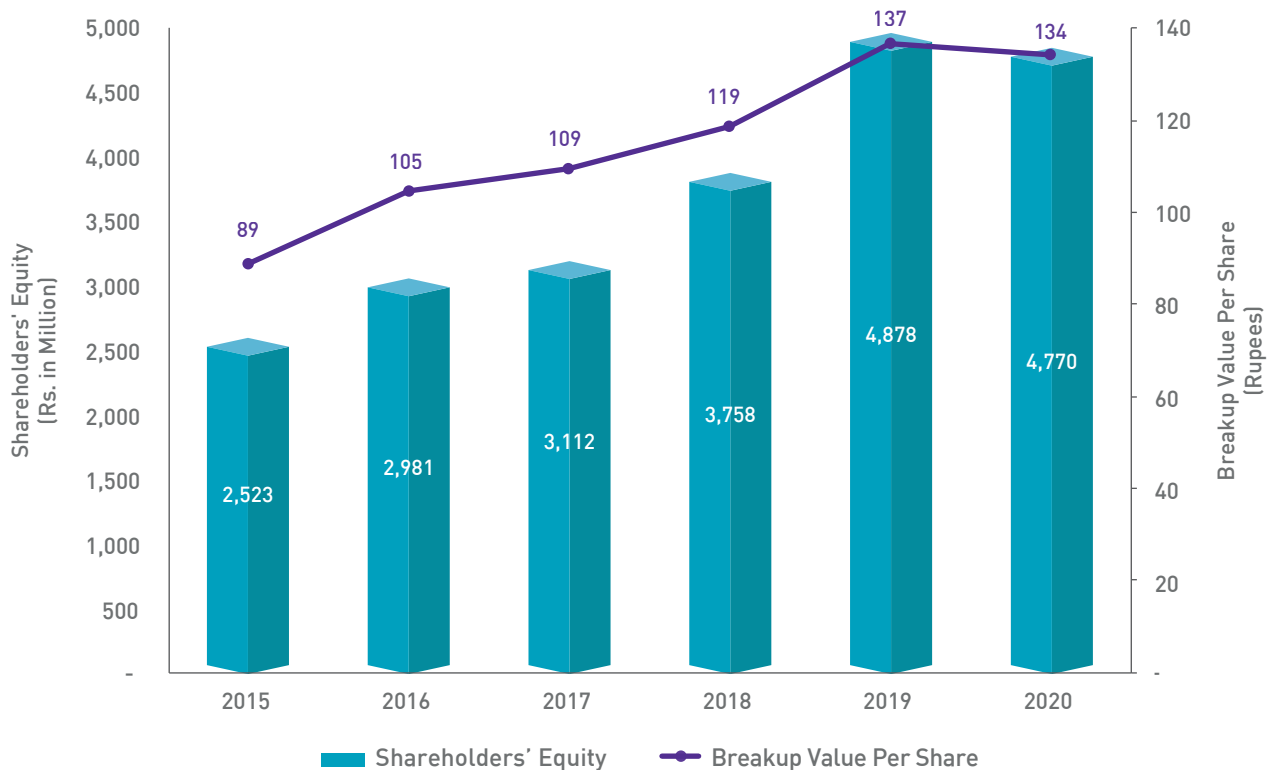


Financial Snapshot

Fixed Assets and Capital Expenditure

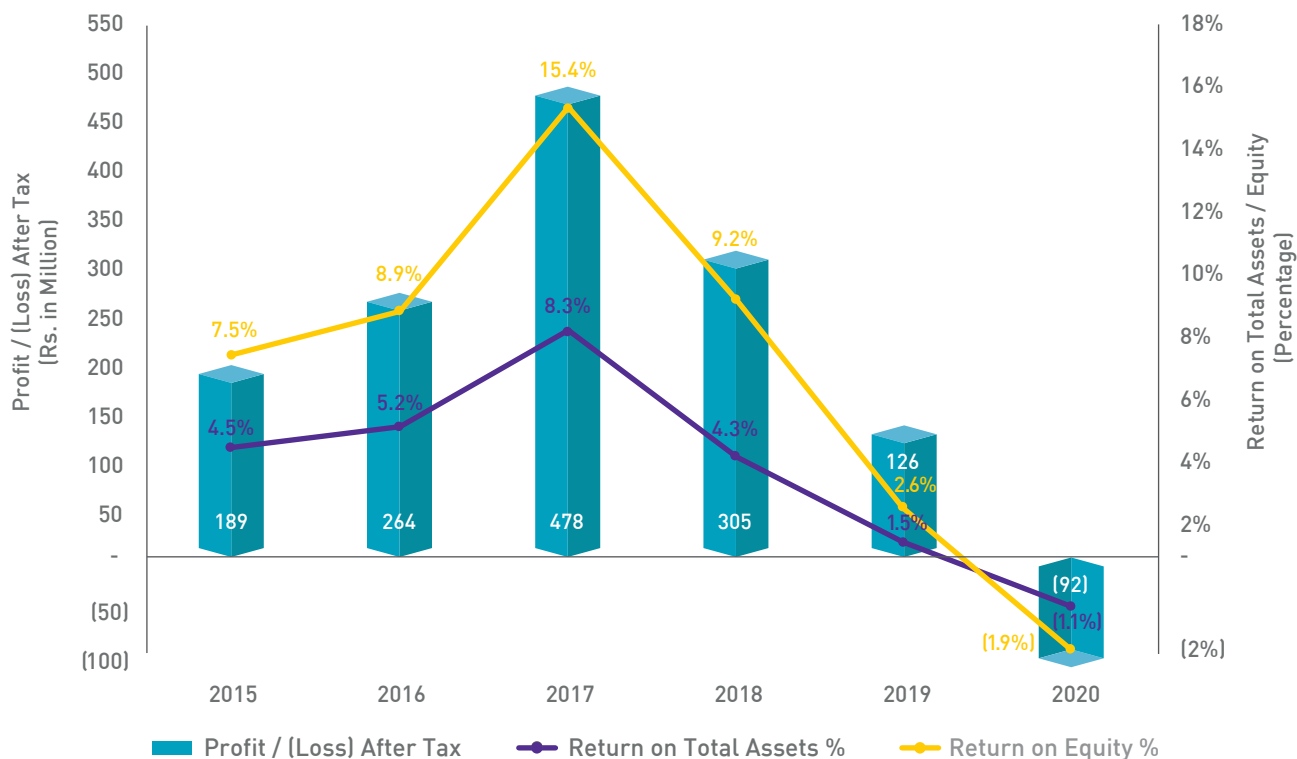


Shareholders' Equity

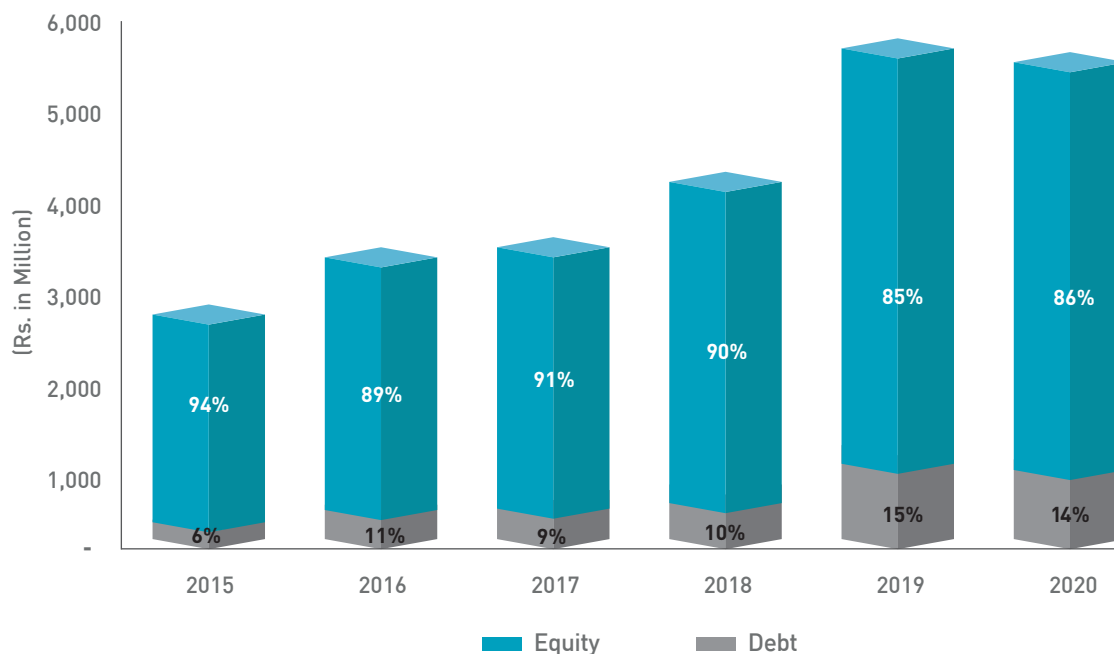


Financial Snapshot

Profitability



Debt to Equity

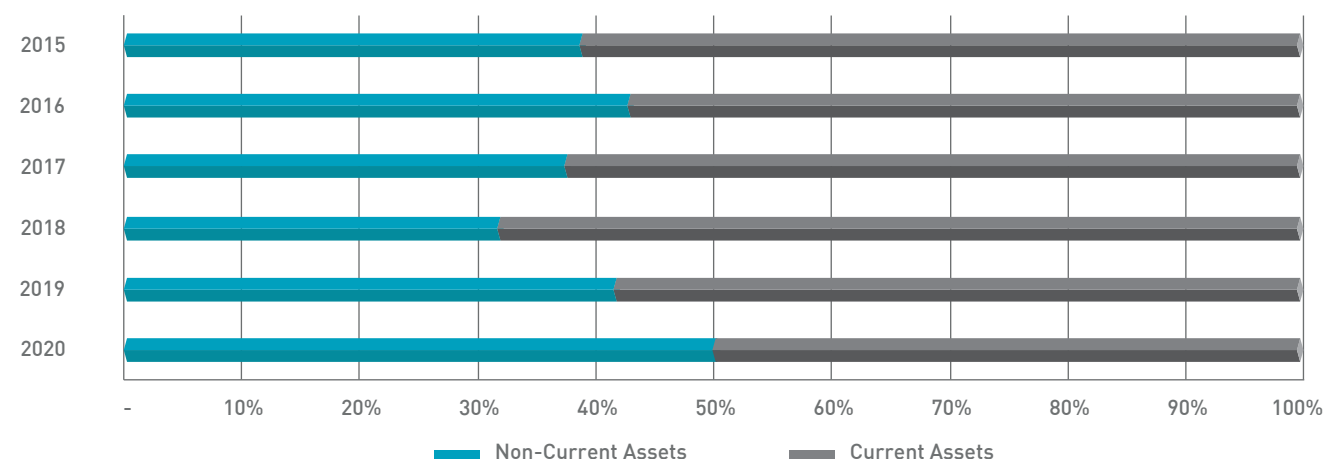


Analysis of Financial Statements

Horizontal Analysis - Statement of Financial Position

	2020 Rs. in M	2020 vs 2019 %age	2019 Rs. in M	2019 vs 2018 %age	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4,066	20.34	3,379	54.57	2,186	0.92	2,166	3.64	2,090	31.41	1,590	1.81
Right-of-use assets	79	100.00	-	-	-	-	-	-	-	-	-	-
Intangible assets	9	(0.07)	9	32.01	7	(2.31)	7	(37.26)	11	108.32	5	100.00
Investment in associated company	47	5.19	44	(54.20)	97	26.46	77	83.98	42	55.33	27	35.33
Long-term loans receivable	6	(11.25)	7	22.25	6	140.38	2	(17.45)	3	72.43	2	(41.29)
Long-term deposits and prepayments	15	(32.06)	21	100.00	-	-	-	(100.00)	3	(80.00)	16	130.39
Total non-current assets	4,222	22.00	3,461	50.76	2,296	1.93	2,252	4.80	2,149	31.04	1,640	3.04
CURRENT ASSETS												
Stores and spares	55	(5.96)	58	(9.14)	64	4.60	61	20.94	51	12.66	45	(13.75)
Stock-in-trade	1,902	(13.65)	2,203	12.72	1,955	2.08	1,915	23.76	1,547	22.56	1,262	(4.67)
Trade debts	1,653	(20.88)	2,089	5.94	1,972	49.49	1,319	29.30	1,020	6.21	960	(6.61)
Short-term loans and advances	24	(49.13)	47	(29.18)	67	238.49	20	17.91	17	(14.32)	19	(37.83)
Short-term deposits and prepayments	29	(49.83)	57	14.05	50	31.00	38	(24.16)	51	65.42	31	42.30
Other receivables	59	93.16	31	223.81	10	(68.87)	31	100.00	0.6	(62.44)	2	(94.10)
Advance tax - net of provision	388	(2.36)	397	113.87	186	83.13	101	(45.48)	186	(5.33)	196	(23.64)
Cash and bank balances	85	(3.19)	88	(84.65)	573	991.80	52	(4.14)	55	421.02	11	(66.19)
Total current assets	4,195	(15.60)	4,971	1.95	4,875	37.82	3,538	20.88	2,927	15.84	2,527	(8.88)
TOTAL ASSETS	8,417	(0.17)	8,432	17.58	7,171	23.86	5,790	14.07	5,076	21.82	4,166	(4.53)
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid-up capital	356	-	356	25.00	285	-	285	-	285	-	285	-
Advance against share capital	-	-	-	(100.00)	488	100.00	-	-	-	-	-	-
<i>Capital reserves</i>												
Share premium reserve	1,595	-	1,595	202.22	528	-	528	-	528	-	528	-
Revaluation surplus on property (land and building) - net of tax	1,613	(0.63)	1,623	46.99	1,104	0.11	1,103	(0.99)	1,114	35.39	823	1.15
<i>Revenue reserves</i>												
General reserve	1,268	3.34	1,227	7.82	1,138	22.89	926	15.46	802	13.28	708	13.64
Un-appropriated (loss) / profit	(62)	(180.51)	77	(64.41)	215	(20.25)	270	7.01	252	40.28	180	(15.65)
Total shareholders' equity	4,770	(2.21)	4,878	29.80	3,758	20.78	3,112	4.38	2,981	18.14	2,523	2.48
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term borrowings	663	(2.59)	681	135.21	289	46.06	198	(12.91)	228	355.00	50	100.00
Lease liabilities	25	100.00	-	-	-	-	-	-	-	-	-	-
Deferred liability for staff gratuity	43	36.28	31	(4.33)	33	12.15	29	(1.27)	30	18.90	25	(1.51)
Other long-term employee benefits	5	(85.50)	38	7.38	35	(0.59)	35	14.82	31	26.49	24	22.29
Deferred tax liability - net	59	(38.34)	96	52.81	63	6.95	58	(19.41)	73	45.03	50	(45.94)
Total non-current liabilities	795	(5.96)	845	101.38	420	30.73	321	(10.90)	360	141.57	149	8.37
CURRENT LIABILITIES												
Current portion of long-term borrowings	218	100.62	109	58.18	69	6.80	64	415.00	13	100.00	-	-
Current portion of lease liabilities	55	100.00	-	-	-	-	-	-	-	-	-	-
Trade and other payables	1,078	32.64	813	6.62	762	(26.55)	1,038	9.14	951	57.13	605	(5.46)
Short-term loan from banking companies	1,234	(17.62)	1,498	(15.77)	1,779	92.97	922	103.55	453	(32.10)	667	(26.14)
Contract liabilities	195	(12.14)	223	(33.37)	334	19.77	279	(6.57)	298	45.48	205	0.89
Unclaimed dividend	26	(1.77)	26	9.74	24	(44.31)	43	224.14	13	14.74	11	13.19
Mark-up accrued on bank borrowings	46	13.30	40	56.90	26	118.44	12	75.76	7	24.13	5	(31.51)
Total current liabilities	2,852	5.30	2,709	(9.51)	2,993	26.99	2,357	35.91	1,734	16.08	1,494	(15.32)
TOTAL LIABILITIES	3,647	2.62	3,554	4.12	3,413	27.44	2,678	27.86	2,095	27.47	1,643	(13.61)
TOTAL EQUITY AND LIABILITIES	8,417	(0.17)	8,432	17.58	7,171	23.86	5,790	14.07	5,076	21.82	4,166	(4.53)

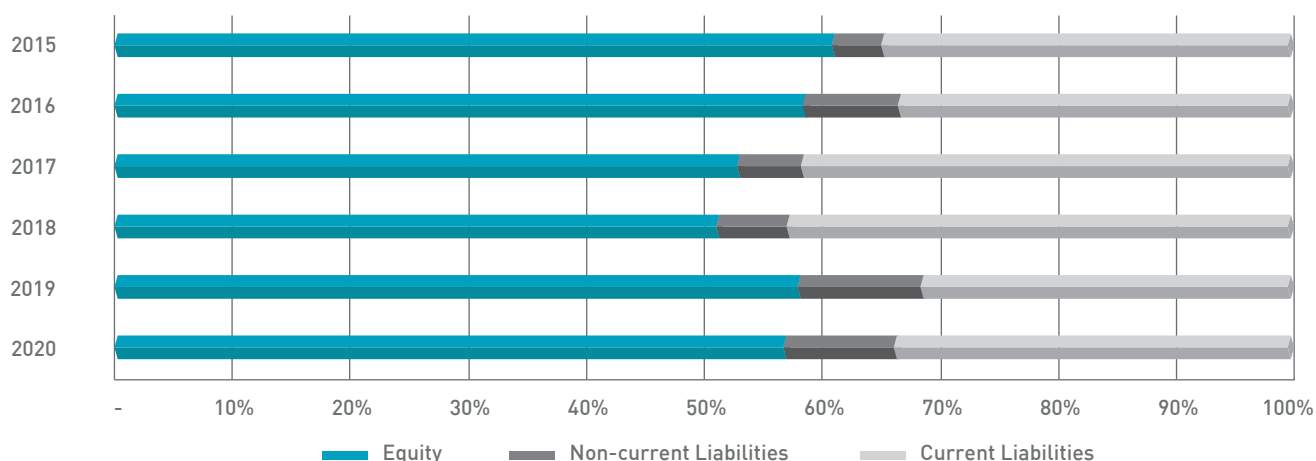
FINANCIAL POSITION ANALYSIS (ASSETS)



Vertical Analysis - Statement of Financial Position

	2020		2019		2018		2017		2016		2015	
	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4,066	48.31	3,379	40.08	2,186	30.48	2,166	37.41	2,090	41.18	1,590	38.17
Right-of-use assets	79	0.94	-	-	-	-	-	-	-	-	-	-
Intangible assets	9	0.11	9	0.11	7	0.10	7	0.12	11	0.22	5	0.13
Investment in associated company	47	0.55	44	0.53	97	1.35	77	1.32	42	0.82	27	0.64
Long-term loans receivable	6	0.07	7	0.08	6	0.08	2	0.04	3	0.06	2	0.04
Long-term deposits and prepayments	15	0.17	21	0.25	-	-	-	-	3	0.06	16	0.37
Total non-current assets	4,222	50.16	3,461	41.05	2,296	32.01	2,252	38.90	2,149	42.34	1,640	39.36
CURRENT ASSETS												
Stores and spares	55	0.65	58	0.69	64	0.90	61	1.06	51	1.00	45	1.08
Stock-in-trade	1,902	22.60	2,203	26.13	1,955	27.26	1,915	33.07	1,547	30.48	1,262	30.30
Trade debts	1,653	19.63	2,089	24.77	1,972	27.50	1,319	22.78	1,020	20.10	960	23.05
Short-term loans and advances	24	0.29	47	0.56	67	0.93	20	0.34	17	0.33	19	0.47
Short-term deposits and prepayments	29	0.34	57	0.68	50	0.70	38	0.66	51	1.00	31	0.73
Other receivables	59	0.71	31	0.37	10	0.13	31	0.53	1	0.01	2	0.04
Advance tax - net of provision	388	4.61	397	4.71	186	2.59	101	1.75	186	3.66	196	4.71
Cash and bank balances	85	1.01	88	1.04	573	7.99	52	0.91	55	1.08	11	0.25
Total current assets	4,195	49.84	4,971	58.95	4,875	67.99	3,538	61.10	2,927	57.66	2,527	60.64
TOTAL ASSETS	8,417	100.00	8,432	100.00	7,171	100.00	5,790	100.00	5,076	100.00	4,166	100.00
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid-up capital	356	4.23	356	4.22	285	3.97	285	4.92	285	5.61	285	6.83
Advance against share capital	-	-	-	-	488	6.80	-	-	-	-	-	-
<i>Capital reserves</i>												
Share premium reserve	1,595	18.95	1,595	18.92	528	7.36	528	9.12	528	10.40	528	12.67
Revaluation surplus on property (land and building) - net of tax	1,613	19.16	1,623	19.25	1,104	15.40	1,103	19.05	1,114	21.95	823	19.75
<i>Revenue reserves</i>												
General reserves	1,268	15.06	1,227	14.55	1,138	15.87	926	15.99	802	15.80	708	16.99
Un-appropriated (loss) / profit	(62)	(0.73)	77	0.91	215	3.00	270	4.66	252	4.97	180	4.32
Total shareholders' equity	4,770	56.67	4,878	57.85	3,758	52.41	3,112	53.74	2,981	58.73	2,523	60.56
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term borrowings	663	7.88	681	8.07	289	4.04	198	3.42	228	4.48	50	1.20
Lease liabilities	25	0.29	-	-	-	-	-	-	-	-	-	-
Deferred liability for staff gratuity	43	0.51	31	0.37	33	0.46	29	0.50	30	0.58	25	0.60
Other long-term employee benefits	5	0.06	38	0.45	35	0.49	35	0.61	31	0.61	24	0.58
Deferred tax liability - net	59	0.70	96	1.13	63	0.87	58	1.01	73	1.43	50	1.20
Total non-current liabilities	795	9.44	845	10.02	420	5.85	321	5.54	360	7.10	149	3.58
CURRENT LIABILITIES												
Current portion of long-term borrowings	218	2.59	109	1.29	69	0.96	64	1.11	13	0.25	-	-
Current portion of lease liabilities	55	0.66	-	-	-	-	-	-	-	-	-	-
Trade and other payables	1,078	12.80	813	9.64	762	10.63	1,038	17.92	951	18.73	605	14.52
Short term loan from banking companies	1,234	14.67	1,498	17.77	1,779	24.81	922	15.92	453	8.92	667	16.01
Contract liabilities	195	2.32	223	2.64	334	4.66	279	4.82	298	5.88	205	4.92
Unclaimed dividend	26	0.30	26	0.31	24	0.33	43	0.74	13	0.26	11	0.28
Mark-up accrued on bank borrowings	46	0.54	40	0.48	26	0.36	12	0.20	7	0.13	5	0.13
Total current liabilities	2,852	33.89	2,709	32.13	2,993	41.74	2,357	40.71	1,734	34.17	1,494	35.86
TOTAL LIABILITIES	3,647	43.33	3,554	42.15	3,413	47.59	2,678	46.26	2,095	41.27	1,643	39.44
TOTAL EQUITY AND LIABILITIES	8,417	100.00	8,432	100.00	7,171	100.00	5,790	100.00	5,076	100.00	4,166	100.00

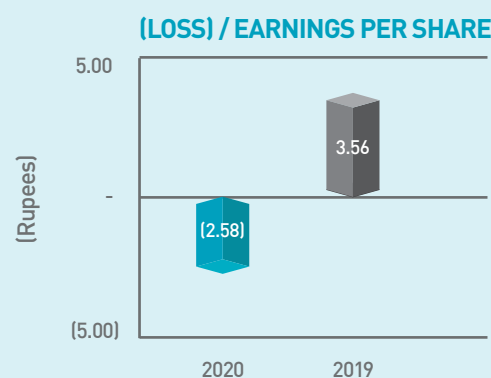
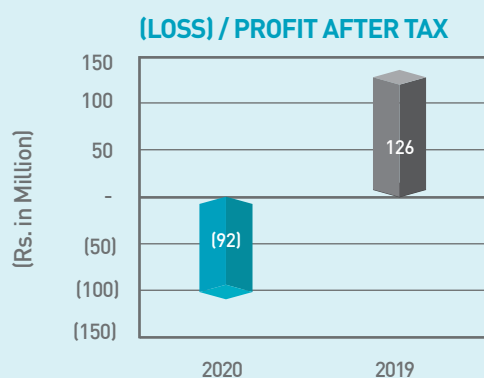
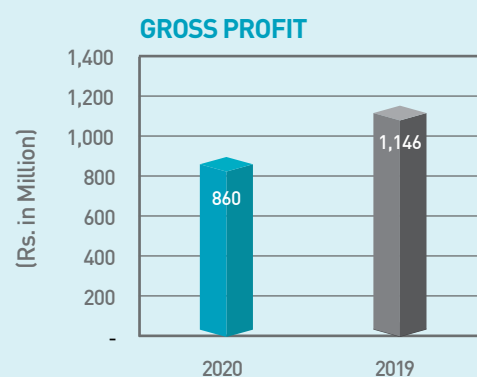
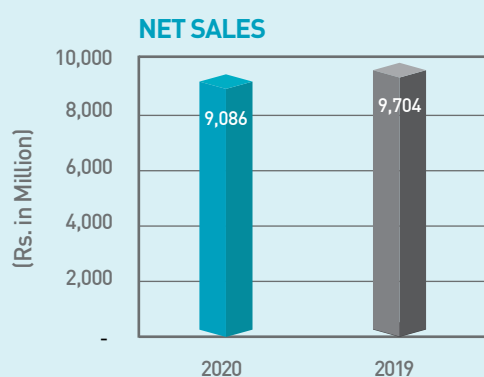
FINANCIAL POSITION ANALYSIS (EQUITY AND LIABILITIES)



Analysis of Financial Statements

Horizontal Analysis - Statement of Profit or Loss Account

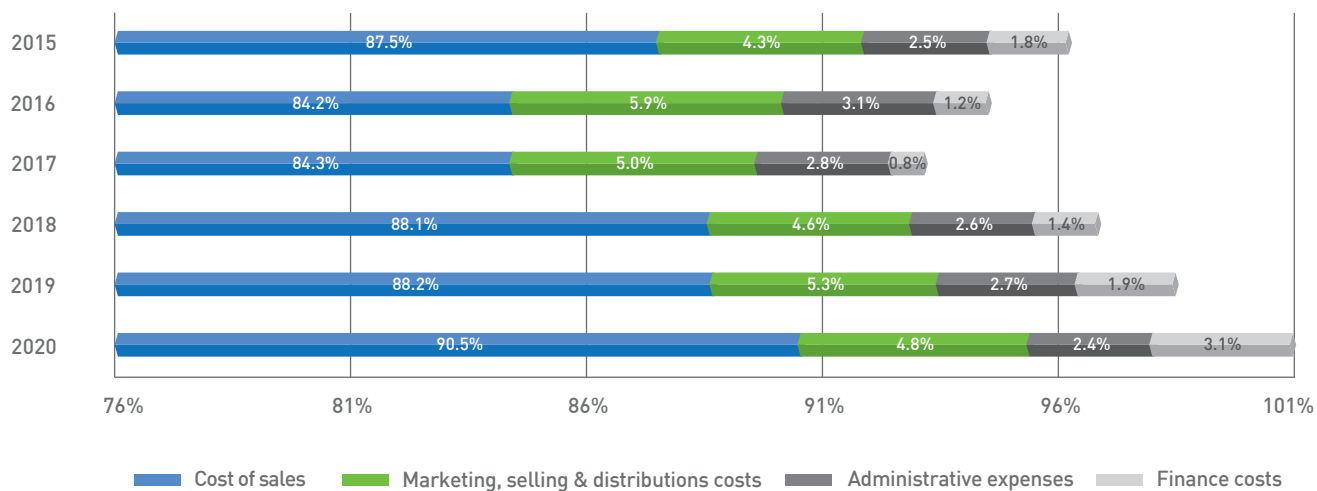
	2020 Rs. in M	2020 vs 2019 %age	2019 Rs. in M	2019 vs 2018 %age	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age
Net Sales	9,086	(6.37)	9,704	1.50	9,561	18.28	8,084	18.02	6,850	(1.54)	6,957	5.41
Cost of sales	(8,226)	(3.89)	(8,559)	1.60	(8,424)	23.59	(6,816)	18.20	(5,767)	(5.27)	(6,087)	6.38
Gross profit	860	(24.91)	1,146	0.75	1,137	(10.29)	1,268	17.05	1,083	24.59	869	(0.88)
Marketing, selling and distribution costs	(435)	(14.66)	(510)	16.33	(438)	7.94	(406)	0.08	(406)	36.83	(296)	40.71
Administrative expenses	(222)	(16.48)	(266)	6.95	(249)	8.86	(229)	8.86	(210)	23.19	(170)	13.35
Impairment (loss) / reversal on trade debts	(17)	100.00	0.1	100.00	-	(100.00)	(1)	(111.09)	13	(159.03)	(23)	46.85
	(674)	(13.09)	(776)	12.92	(687)	8.02	(636)	5.60	(602)	23.06	(490)	30.03
Finance cost	(283)	50.20	(189)	41.15	(134)	103.62	(66)	(18.84)	(81)	(33.86)	(122)	31.47
Impairment loss on investment in associate	-	(100.00)	(57)	100.00	-	-	-	-	-	-	-	-
Other expenses	(4)	(69.52)	(15)	(50.48)	(29)	(39.74)	(49)	55.14	(31)	19.47	(26)	(21.18)
	(288)	10.48	(260)	59.77	(163)	42.52	(114)	1.86	(112)	(24.41)	(149)	17.56
Other income	37	(32.64)	55	34.13	41	(58.35)	98	259.86	27	77.44	15	2.14
Share of profit from associate under the equity basis of accounting	1	(95.45)	12	(22.68)	16	68.85	10	(19.44)	12	202.73	4	89.17
(Loss) / profit before tax	(64)	(136.54)	176	(48.70)	344	(44.93)	624	53.31	407	62.66	250	(35.99)
Taxation	(27)	(45.44)	(50)	30.46	(38)	(73.65)	(146)	2.02	(143)	134.14	(61)	(63.84)
(Loss) / profit after tax	(92)	(172.71)	126	(58.66)	305	(36.18)	478	81.04	264	39.61	189	(14.85)



Vertical Analysis - Statement of Profit or Loss Account

	2020		2019		2018		2017		2016		2015	
	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age
Net Sales	9,086	100.00	9,704	100.00	9,561	100.00	8,084	100.00	6,850	100.00	6,957	100.00
Cost of sales	(8,226)	(90.53)	(8,559)	(88.19)	(8,424)	(88.11)	(6,816)	(84.32)	(5,767)	(84.19)	(6,087)	(87.51)
Gross profit	860	9.47	1,146	11.81	1,137	11.89	1,268	15.68	1,083	15.81	869	12.49
Marketing, selling and distribution costs	(435)	(4.79)	(510)	(5.25)	(438)	(4.58)	(406)	(5.02)	(406)	(5.92)	(296)	(4.26)
Administrative expenses	(222)	(2.45)	(266)	(2.74)	(249)	(2.60)	(229)	(2.83)	(210)	(3.07)	(170)	(2.45)
Impairment (loss) / reversal on trade debts	(17)	(0.19)	0.1	0.00	-	-	(1)	(0.02)	13	0.19	(23)	(0.32)
	(674)	(7.42)	(776)	(8.00)	(687)	(7.19)	(636)	(7.87)	(602)	(8.80)	(490)	(7.04)
Finance cost	(283)	(3.12)	(189)	(1.94)	(134)	(1.40)	(66)	(0.81)	(81)	(1.18)	(122)	(1.76)
Impairment loss on investment in associate	-	-	(57)	(0.59)	-	-	-	-	-	-	-	-
Other expenses	(4)	(0.05)	(15)	(0.15)	(29)	(0.31)	(49)	(0.60)	(31)	(0.46)	(26)	(0.38)
	(288)	(3.17)	(260)	(2.68)	(163)	(1.70)	(114)	(1.41)	(112)	(1.64)	(149)	(2.14)
Other income	37	0.40	55	0.56	41	0.43	98	1.21	27	0.40	15	0.22
Share of profit from associate under the equity basis of accounting	1	0.01	12	0.13	16	0.17	10	0.12	12	0.17	4	0.06
(Loss) / profit before tax	(64)	(0.71)	176	1.82	344	3.60	624	7.72	407	5.94	250	3.60
Taxation	(27)	(0.30)	(50)	(0.52)	(38)	(0.40)	(146)	(1.80)	(143)	(2.09)	(61)	(0.88)
(Loss) / profit after tax	(92)	(1.01)	126	1.30	305	3.19	478	5.92	264	3.86	189	2.72

ANALYSIS OF EXPENSES



Analysis of Financial Statements

Horizontal Analysis - Statement of Cash Flows

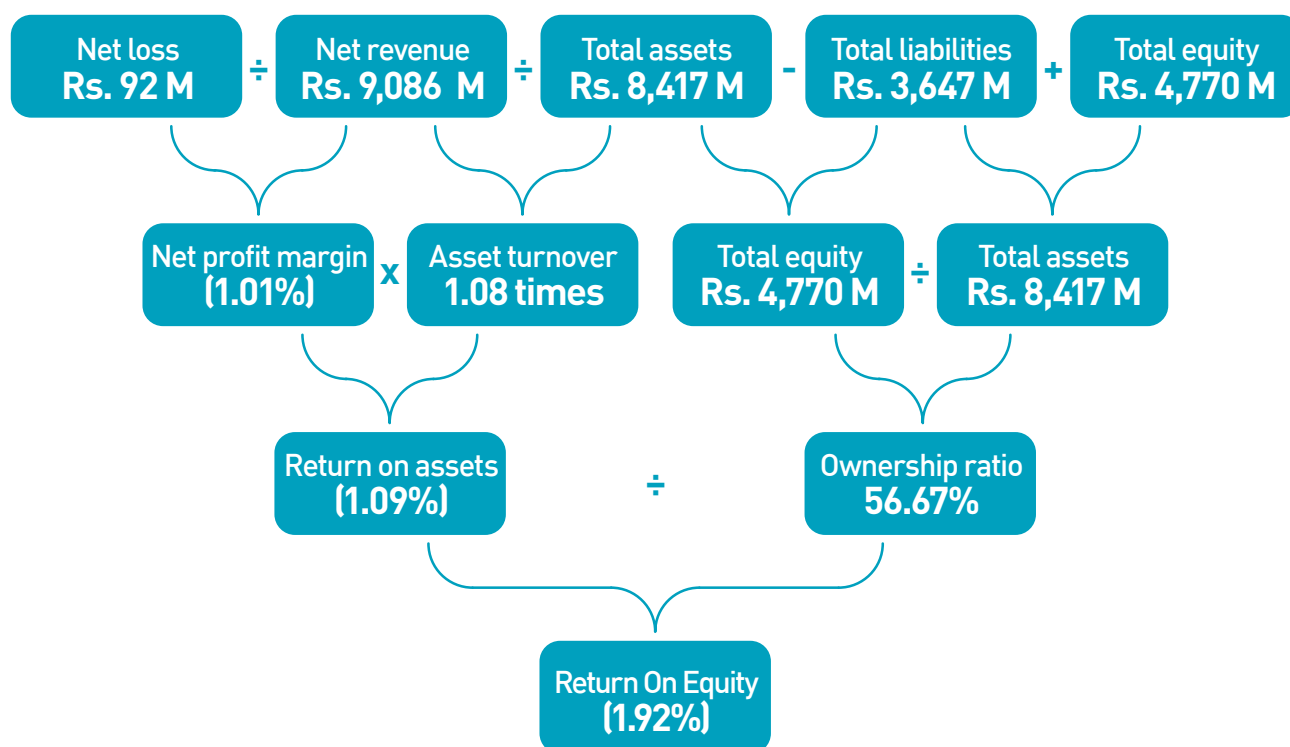
	2020 Rs. in M	2020 vs 2019 %age	2019 Rs. in M	2019 vs 2018 %age	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age
Net cash generated from / (used in) operating activities	1,105	(484.64)	(287)	(47.20)	(544)	(594.64)	110	(77.56)	490	5.42	465	(833.88)
Net cash used in investing activities	(889)	8.02	(823)	259.21	(229)	(12.96)	(263)	(22.14)	(338)	95.73	(173)	33.95
Net cash generated from / (used in) financing activities	516	91.11	270	(75.47)	1,100	1,994.14	53	(126.10)	(201)	(42.32)	(349)	(233.48)
Net increase / (decrease) in cash & cash equivalents	731	(186.97)	(841)	(357.72)	326	(423.66)	(101)	105.28	(49)	(13.02)	(56)	(181.94)

Vertical Analysis - Statement of Cash Flows

	2020 Rs. in M	2020 %age	2019 Rs. in M	2019 %age	2018 Rs. in M	2018 %age	2017 Rs. in M	2017 %age	2016 Rs. in M	2016 %age	2015 Rs. in M	2015 %age
Net cash generated from / (used in) operating activities	1,105	151.11	(287)	34.17	(544)	(166.77)	110	(109.12)	490	(998.38)	465	(823.78)
Net cash used in investing activities	(889)	(121.61)	(823)	97.91	(229)	(70.25)	(263)	261.21	(338)	688.73	(173)	306.07
Net cash generated from / (used in) financing activities	516	70.50	270	(32.08)	1,100	337.02	53	(52.09)	(201)	409.65	(349)	617.71
Net increase / (decrease) in cash & cash equivalents	731	100.00	(841)	100.00	326	100.00	(101)	100.00	(49)	100.00	(56)	100.00

Dupont Analysis

		2020	2019
Tax burden	%	142.45	71.58
Interest burden	%	(29.44)	48.32
EBIT margin	%	2.41	3.76
Asset turnover	Times	1.08	1.15
Leverage	%	176.46	172.86
Return on Equity	%	(1.92)	2.59



Direct Method Statement of Cash Flows

2020 2019
----- (Rupees in Million) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers - net	9,406	9,560
Payments to suppliers/service providers/employees etc. - net	(7,969)	(9,370)
Payments to staff retirement benefits	(5)	(23)
Finance costs paid	(266)	(174)
Income tax paid	(62)	(273)
Long-term loans receivable	1	(1)
Long-term deposits and prepayments	1	(6)
Net cash generated from / (used in) operating activities	1,105	(287)

CASH FLOWS FROM INVESTING ACTIVITIES

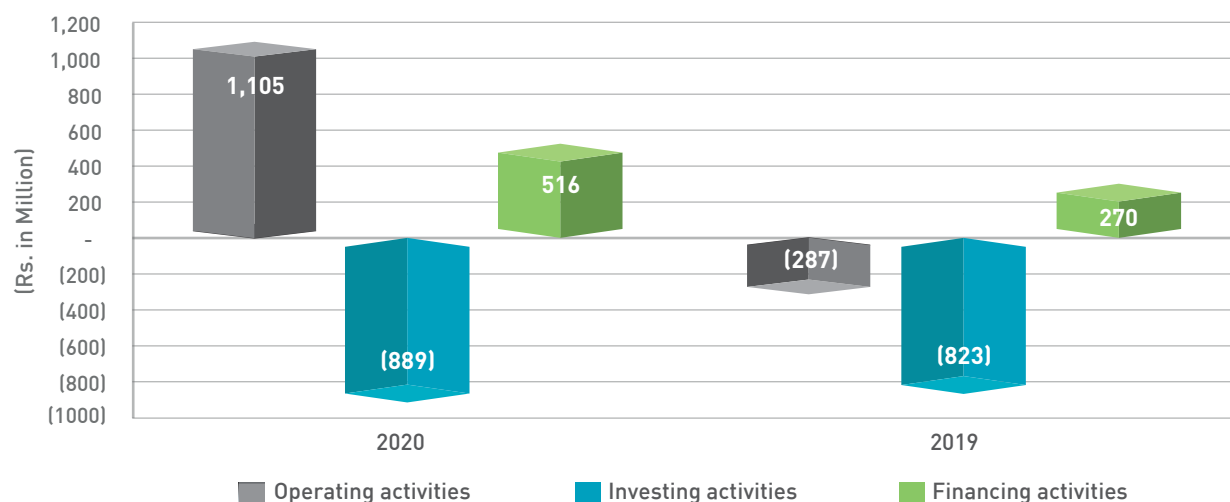
Capital expenditure including intangible assets	(893)	(837)
Proceeds from disposal of fixed assets	2	9
Dividend received from associate	2	5
Net cash used in investing activities	(889)	(823)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term loans obtained	200	500
Repayment of long term loans	(109)	(69)
Lease rentals paid	(10)	-
Short-term loan from banking companies	470	(637)
Proceeds against subscription of right shares	-	651
Dividend paid	(36)	(176)
Net cash generated from financing activities	516	270

Net increase / (decrease) in cash and cash equivalents	731	(841)
Cash and cash equivalents at beginning of the year	(761)	80
Cash and cash equivalents at end of the year	(29)	(761)

CASH FLOW ANALYSIS



Share Price Sensitivity

In Pakistan's market, market forces are more likely to affect share prices compared to the fundamentals. However, managements understand that following points are perceived to have effects on share price of the Company.

Investment in Energy sector

High



Investment in Energy sector both by Government and private sector has direct impacts over the performance of Company's growth and its share price. Pakistan has increased the electricity production in past few years. However, transmission lines need to be revamped and any investment in transmission line will have positive impact over the share price of the Company.

Energy Crisis

Medium



Un-interrupted energy supply is the key for any industrial undertaking and in case there is any interruption in supply, the Company has to switch to other means of energy. This also affect the overall production performance of the Company. During the year 2019-20, supply from utility companies remained stable.

Law and Order

Medium



Law and Order situation is another key variant in determining not only the performance of Company, but also overall economy of the country. Law and order situation has remained stable during the year and is much dependent upon the consistency of democracy process in the country.

Cash Reward

High



Company is the only listed cable manufacturer in Pakistan and is perceived as a growth stock instead of cash earning Company by the investors. Despite this, Company has a consistent policy of maintaining a balance between cash distribution and re-investment to future business. However, Company has decided not to provide any dividend this year owing to the Company's current year's results.

Exchange Rate parity

High



Majority of the Company's raw material consist of imported items and are subject to change with fluctuation in exchange rate parity. Any impact on value of Rupee would have direct impact over the performance of the Company. Though management strives to be dynamic in its pricing mechanism so that any fluctuation in exchange rate does not have impact over the bottom line, however, not all of the impact can be factored in as desired.

Interest Rates

Medium



Company's major source of funding is bank borrowing and fluctuation in interest rate directly impacts the bottom line of Company's profit and loss. During the year effective borrowing rate remained higher most part of the year and Company bottom line had corresponding effects.

Low



Medium



High



Statement of Value Addition for the year ended 30 June 2020

% (Rupees in '000)

Value created

Gross Sales	99.26%	10,648,407
Other income	0.34%	36,759
Other comprehensive income	0.22%	23,649
Share of profit from an associate	0.01%	567
Transfer from surplus on revaluation of building	0.17%	18,654
	100.00%	10,728,036
Bought in materials and services	(72.69%)	(7,798,196)
Total	27.31%	2,929,840

Value Distribution

To Government as taxes

Income tax, sales tax & custom duty	63.21%	1,851,987
Workers funds, EOBI & social security contribution and local taxes	1.54%	45,154

To Employees as remuneration

Salaries, wages and benefits	25.41%	744,343
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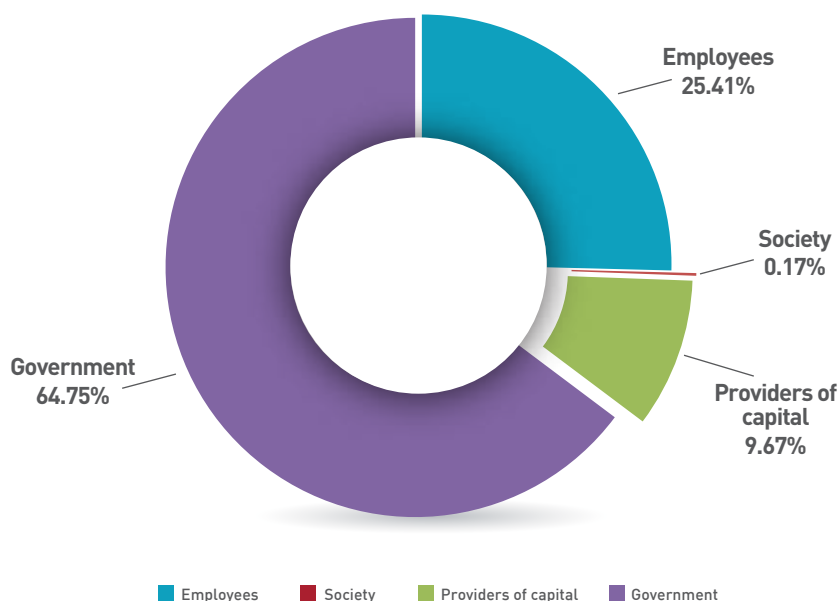
To Society

Donations and CSR	0.17%	5,077
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To Providers of capital

Financial charges to providers of finance	9.67%	283,279
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Total Value Distributed	100.00%	2,929,840
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YOUR SUCCESS, OUR POWER

FINANCIAL STATEMENTS



Independent Auditors' Report

To the Members of Pakistan Cables Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Pakistan Cables Limited** ("the Company"), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2020 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	COVID-19	
	<p>Refer note 1.1 to the financial statements regarding the impact of COVID-19.</p> <p>As part of the preparation of the financial statements, management is responsible to assess the possible effects of COVID-19 on the company's liquidity and related ability to continue as a going concern and appropriately disclose the results of its assessment in the financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty.</p>	<p>We considered the uncertainties arising from COVID-19 in planning and performing our audit. Our procedures included:</p> <ul style="list-style-type: none">evaluated the company's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy;assessed the reliability of the forecasted cash flows by comparing with the historical performance and market expectations;

S.No.	Key audit matters	How the matter was addressed in our audit
	<p>Management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the company's operations.</p>	<ul style="list-style-type: none"> discussed the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19 on the company; evaluated the assumptions in respect of projected available future cash flows from operating, financing and investing activities and projected key ratios for covenant calculations; inspected supporting documentation such as contracts and underlying calculations and correspondence with financing and other relevant parties; evaluated the company's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19, including trade receivables and inventory provisioning; and considered the appropriateness of the disclosures made in the financial statements in respect of the potential impact of COVID-19.
2.	Revenue Recognition	
	<p>Refer notes 3.9 and 25 to the financial statements.</p> <p>The Company generates revenue from sale of goods to domestic as well as export customers.</p> <p>We identified recognition of revenue (against the sale of goods) as a key audit matter because revenue is one of the key performance indicators of the Company which gives rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>Our audit procedures to assess the recognition of revenue recognized from the sale of products included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and inspecting credit notes issued to record sales returns subsequent to year end, if any.
3.	Valuation of Trade Debts	
	<p>Refer notes 3.14 and 11 to the financial statements.</p> <p>The Company has a significant balance of trade debts. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECLs).</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of and assessing the design and testing implementation of management's key internal controls relating to credit control process (including credit account application approvals and credit limit review);

S.No.	Key audit matters	How the matter was addressed in our audit
	<p>We identified recoverability of trade debts as a key audit matter as it involves significant judgement in determining the recoverable amount of trade debts.</p>	<ul style="list-style-type: none"> obtaining an understanding of the basis for the determination of provision required at the year end and the receivables collection process; and testing the accuracy of the data on a sample basis extracted from the Company's accounting system which has been used to calculate the provision required including subsequent recoveries.
4.	Valuation of Stock-in-Trade	
	<p>Refer notes 3.6 and 10 to the financial statements.</p> <p>As at 30 June 2020, the Company's stock-in-trade amounted to Rs. 1,902.397 million. This significantly comprised of Copper Cathode, Copper rods and Aluminum billets.</p> <p>We identified the valuation of stock-in-trade as a key audit matter because determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost involves significant judgement and estimation.</p>	<p>Our audit procedures to assess the valuation of stock-in-trade included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; obtaining an understanding of the basis for the determination of NRV and the key estimates adopted, including future selling prices and costs necessary to make the sales and the basis of the calculation and justification for the amount of the write-downs and provisions; assessing the NRV of stock-in-trade by comparing, on a sample basis, estimation of future selling prices for the products with the selling prices achieved subsequent to the end of the reporting period; and comparing NRV to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.
5.	Capitalization of Property, Plant and Equipment	
	<p>Refer notes 3.15 and 4 to the financial statements.</p> <p>The Company has made significant capital expenditure on expansion of manufacturing facilities.</p>	<p>Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> understanding the design and implementation of controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; testing, on sample basis, the costs incurred on projects with supporting documentation and contracts; assessing the nature of costs incurred including borrowing costs for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards; and

S.No.	Key audit matters	How the matter was addressed in our audit
	We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year.	<ul style="list-style-type: none"> inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs including borrowing cost ceased from that date and assessing the useful life assigned to the respective asset including testing the calculation of related depreciation.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Company's Annual Report for 2020 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: August 20th, 2020

Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

As at 30 June 2020

	Note	2020	2019
		----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,066,478	3,379,023
Right-of-use assets	5	79,146	-
Intangible assets	6	9,091	9,097
Investment in associated company	7	46,696	44,392
Long-term loans receivable	8	6,207	6,994
Long-term deposits and prepayments		14,563	21,435
Total non-current assets		4,222,181	3,460,941
Current assets			
Stores and spares	9	54,915	58,393
Stock-in-trade	10	1,902,397	2,203,201
Trade debts	11	1,652,652	2,088,764
Short-term loans and advances	12	24,001	47,180
Short-term deposits and prepayments	13	28,715	57,235
Other receivables	14	59,476	30,791
Advance tax - net of provision		387,718	397,107
Cash and bank balances	15	85,140	87,942
Total current assets		4,195,014	4,970,613
Total assets		8,417,195	8,431,554
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 50,000,000 (30 June 2019: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up capital	16	355,779	355,779
<i>Capital reserves</i>			
Share premium reserve		1,595,139	1,595,139
Revaluation surplus on property (land and building) - net of tax	17	1,612,934	1,623,241
<i>Revenue reserves</i>			
General reserve		1,268,000	1,227,000
Un-appropriated (loss) / profit		(61,694)	76,632
Total Shareholders' equity		4,770,158	4,877,791
Non-current liabilities			
Long-term borrowings	18	663,014	680,625
Lease liabilities	5	24,718	-
Deferred liability for staff gratuity	19	42,628	31,280
Other long-term employee benefits	20	5,457	37,637
Deferred tax liability - net	21	58,935	95,581
Total non-current liabilities		794,752	845,123
Current liabilities			
Current portion of long-term borrowings	18	218,170	108,750
Current portion of lease liabilities	5	55,157	-
Trade and other payables	22	1,077,799	812,558
Short-term loan from banking companies	23	1,234,430	1,498,488
Contract liabilities		195,494	222,502
Unclaimed dividend		25,630	26,091
Mark-up accrued on bank borrowings		45,605	40,251
Total current liabilities		2,852,285	2,708,640
Total liabilities		3,647,037	3,553,763
Contingencies and commitments			
	24		
Total equity and liabilities		8,417,195	8,431,554

The annexed notes from 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

Statement of Profit or Loss Account

For the year ended 30 June 2020

	Note	2020 ----- (Rupees in '000) -----	2019
Net sales	25	9,086,125	9,704,311
Cost of sales	26	(8,225,834)	(8,558,638)
Gross profit		860,291	1,145,673
Marketing, selling and distribution costs	27	(435,104)	(509,832)
Administrative expenses	28	(222,332)	(266,192)
Impairment (loss) / reversal on trade debts	11.2	(16,904)	84
		(674,340)	(775,940)
Finance cost	29	(283,279)	(188,600)
Impairment loss on investment in associate	7.2	-	(57,263)
Other expenses	30	(4,434)	(14,547)
		(287,713)	(260,410)
Other income	31	36,759	54,574
Share of profit from associate under the equity basis of accounting	7.2	567	12,462
(Loss) / profit before tax		(64,436)	176,359
Taxation	32	(27,350)	(50,126)
(Loss) / profit after tax		(91,786)	126,233
		(Rupees)	
(Loss) / earnings per share - basic and diluted	33	(2.58)	3.56

The annexed notes from 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020 ----- (Rupees in '000) -----	2019
(Loss) / profit after tax for the year		(91,786)	126,233
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss account</i>			
Remeasurement of post employment benefit obligations	19.1.7	23,640	8,674
Related tax effect		(6,855)	(2,720)
		16,785	5,954
Surplus on revaluation of land and building carried out during the year		-	574,161
Related tax effect		-	(33,054)
		-	541,107
Share of other comprehensive income / (loss) from the associated company		9	(280)
		16,794	546,781
Total comprehensive (loss) / income		(74,992)	673,014

The annexed notes from 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020	2019
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	1,436,319	190,662
Payments to staff retirement benefits	19.1.8	(4,796)	(23,090)
Finance costs paid		(266,041)	(174,003)
Income tax paid		(61,981)	(273,410)
Long-term loans receivable		787	(1,273)
Long-term deposits and prepayments		704	(6,168)
Net cash generated from / (used in) operating activities		1,104,992	(287,282)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure including intangible assets		(893,044)	(837,355)
Proceeds from disposal of fixed assets		2,071	8,915
Dividend received from associate	7.2	1,728	5,184
Net cash used in investing activities		(889,245)	(823,256)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained		200,284	500,000
Repayment of long term loans		(108,751)	(68,750)
Lease rentals paid		(9,985)	-
Short-term loan from banking companies		470,000	(636,523)
Proceeds against subscription of right shares		-	650,590
Dividend paid		(36,039)	(175,575)
Net cash generated from financing activities		515,509	269,742
Net increase / (decrease) in cash and cash equivalents		731,256	(840,796)
Cash and cash equivalents at beginning of the year		(760,546)	80,250
Cash and cash equivalents at end of the year	35	(29,290)	(760,546)

The annexed notes from 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

Statement of Changes in Equity

For the year ended 30 June 2020

Note	Share capital	Advance against share capital	Capital Reserve		Revenue Reserve		Total
	Issued, subscribed and paid-up capital		Share premium reserve	Surplus on Revaluation of assets - Net of tax	General reserve	Un-appropriated profit / (loss)	
----- (Rupees in '000) -----							
Balance as at 01 July 2018	284,623	487,905	527,800	1,104,333	1,138,000	215,336	3,757,997
Adjustment on the initial application of IFRS 9	-	-	-	-	-	(14,542)	(14,542)
Adjusted balance as at 1 July 2018	284,623	487,905	527,800	1,104,333	1,138,000	200,794	3,743,455
Total comprehensive income for the year ended 30 June 2019							
- Profit after tax	-	-	-	-	-	126,233	126,233
- Other comprehensive income - net of tax	-	-	-	541,107	-	5,674	546,781
	-	-	-	541,107	-	131,907	673,014
Transfer to general reserve for the year ended 30 June 2018	-	-	-	-	89,000	(89,000)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	-	(10,821)	-	10,821	-
Effect of change in future tax rate	-	-	-	(9,450)	-	-	(9,450)
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2018 to 30 June 2019 - net of deferred tax (transfers) 17	-	-	-	(1,928)	-	-	(1,928)
Transactions with owners of the Company - Contribution							
Right shares 7,115,594 issued at the rate Rs. 160 per share (Rs. 10 par value and Rs. 150 premium per share)	71,156	(487,905)	1,067,339	-	-	-	650,590
Transactions with owners of the Company - Distribution							
Final cash dividend for the year ended 30 June 2018 @ Rs. 3.50 per share	-	-	-	-	-	(124,523)	(124,523)
Interim cash dividend for the half year ended 31 December 2018 @Rs. 1.50 per share	-	-	-	-	-	(53,367)	(53,367)
Balance as at 30 June 2019	355,779	-	1,595,139	1,623,241	1,227,000	76,632	4,877,791
Total comprehensive income / (loss) for the year ended 30 June 2020							
- Loss after tax	-	-	-	-	-	(91,786)	(91,786)
- Other comprehensive income - net of tax	-	-	-	-	-	16,794	16,794
	-	-	-	-	-	(74,992)	(74,992)
Transfer to general reserve for the year ended 30 June 2019	-	-	-	-	41,000	(41,000)	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2019 to 30 June 2020	-	-	-	-	-	-	-
- net of deferred tax (transfers) 17	-	-	-	2,937	-	-	2,937
Transfer from surplus on revaluation of building - net of deferred tax 17	-	-	-	(13,244)	-	13,244	-
Transactions with owners of the Company - Distribution							
Final cash dividend for the year ended 30 June 2019 @Re. 1.00 per share	-	-	-	-	-	(35,578)	(35,578)
Balance as at 30 June 2020	355,779	-	1,595,139	1,612,934	1,268,000	(61,694)	4,770,158

The annexed notes from 1 to 44 form an integral part of these financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

Notes to the Financial Statements

For the year ended 30 June 2020

1 LEGAL STATUS AND OPERATIONS

Pakistan Cables Limited (the Company) was incorporated in Pakistan as a private limited company on 22 April 1953 and in 1955 it was converted into a public limited company in which year it also obtained a listing on the Pakistan Stock Exchange. The Company is engaged in the manufacturing of copper rods, wires, cables and conductors, aluminium extrusion profiles and PVC compounds.

The registered office of the Company is situated at 11.15 acres of land at B/21, S.I.T.E., Karachi, Pakistan and head office of the Company is situated at 1st floor, Arif Habib Centre, 23 M.T. Khan Road, Karachi, Pakistan. In addition, it also has a land of 42 acres at K-23, Nooriabad, Sindh.

- 1.1** A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services and factories have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. However, the impact varies from industry to industry in different jurisdictions. Based on management's assessment, considering demand from its customers, availability of imports and measures taken by Government to support the industry in which the Company operates, COVID-19 does not have a significant impact on the Company and supports the appropriateness of its going concern assumption.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan that is determined based on the present value of defined benefit obligation less fair value of plan assets and categories of fixed assets including leasehold land and buildings thereon that are stated at fair values determined by an independent valuer.

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, unless otherwise stated.

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application of the Company's 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. Revision to estimates are recognized prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Staff retirement benefits and other benefits (refer note 3.2)
- Trade debts, loans, advances, deposits, prepayments and other receivables (refer note 3.14)
- Property, plant and equipment and intangible assets (refer notes 3.15 and 3.16)
- Stock-in-trade and stores and spares (refer notes 3.6 and 3.5)
- Investment in associate - equity method (refer note 3.1)
- Taxation (refer note 3.3)
- Provisions (refer note 3.10)
- Impairment (refer notes 3.18 and 3.20)
- Leases (refer note 2.5)

2.5 Changes in accounting policies

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

2.5.1 IFRS 16 'Leases'

The Company has adopted IFRS 16 'Leases' from 1 July 2019. The standard introduces a single, on-balance sheet accounting model for leases. As a result, the Company as a lessee has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the change in accounting policies are discussed below.

The Company has various lease agreements for head office, warehouses and sales offices which were previously classified by the company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all the leases – i.e. these leases are on statement of financial position.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 14.28%.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and
- Restoration costs.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The impact of adoption of IFRS 16 on the statement of financial position as at 30 June 2020 is as follows:

	30 June 2020	1 July 2019
	----- (Rupees in '000) -----	
Right-of-use assets	<u>79,146</u>	<u>98,579</u>
Lease liabilities	<u>79,875</u>	<u>71,358</u>
Deferred tax liability	<u>58,935</u>	<u>92,483</u>
Long-term prepayments	<u>-</u>	<u>-</u>
Short-term deposits and prepayments	<u>28,715</u>	<u>51,449</u>

2.6 Change in accounting standards, interpretations and amendments to published approved accounting standards

- a) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2019 (other than those which have been disclosed in note 2.5 to these financial statements). However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after 1 July 2020 and are not likely to have an impact on the financial statements of the Company:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately and contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020,
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
 - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - there is no substantive change to the other terms and conditions of the lease.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments and improvements does not have a material impact on the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements, except for the changes mentioned in note 2.5 to these financial statements.

3.1 Investment in associate - equity method

Investments in associate 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 investment in associate 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 associate after the date of acquisition, less impairment losses, if any. The Company's share of the profit or loss of the associate is recognised in the Company's statement of profit or loss account.

Distributions received from associate 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 associate arising from changes in the associate's other comprehensive income and surplus on revaluation of fixed assets. The Company's share of those changes are respectively recognised directly in other comprehensive income and surplus on revaluation of fixed asset account 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 difference, if any is recognised in the statement of profit or loss account.

3.2 Staff retirement benefits and other benefits

Defined benefit plans

The Company operates a defined benefit funded pension scheme for permanent employees who are in the management cadre. However, the benefit is available to those employees only who had joined before 01 April 2009.

In addition, the Company operates an unfunded gratuity scheme, for all permanent unionized staff.

The Company's obligation under the pension and gratuity schemes are 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 reporting date (30 June 2020). When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. Service costs are recognised in statement of profit or loss account in the period in which they occur. Net interest on net defined benefit liability is also recognised in statement of profit or loss account. Net of tax remeasurement comprising actuarial gain / loss, the return on plan assets (excluding interest) and the effect of the asset ceiling (excluding interest) are recognised in statement of other comprehensive income.

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.

Other long term employee benefit

The Company accounts for long term staff compensated absences on the basis of actuarial valuation carried out under the Projected Unit Credit Method.

3.3 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss account, except to the extent that it relates to items recognized directly in the other comprehensive income or in equity, in which case it is recognized in the other comprehensive income or equity respectively.

Current

Provision for current taxation is based on taxability of certain income streams under final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. Provision of current tax is determined using the tax rate enacted at the reporting date.

Deferred

Deferred tax is recognized using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Further, the Company also recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

3.4 Mark-up bearing borrowings and borrowing cost

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction cost. Subsequent to initial recognition, mark up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method. 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.

3.5 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision for obsolete and slow moving stores and spares is determined based on the management's estimate regarding their future usability.

Net realizable value signifies the estimated selling price in the ordinary course of business less the net estimated costs necessary to be incurred to make the sale.

3.6 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. The management continuously reviews its inventory for existence of any item which may be obsolete. Provision is made for slow moving inventory based on management's estimation. These are based on historical experience and are continuously reviewed.

Items in-transit are valued at lower of cost and net realisable value. Cost comprises invoice value plus other charges paid thereon up to the reporting date.

Scrap is valued at estimated realizable value.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances on current and deposit accounts and running finance under mark-up arrangements. Short term running finances that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.8 Foreign currency translation

Transactions in foreign currencies are recorded in Pakistani 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 prevailing at the reporting date. Exchange gains and losses on translation are included in statement of profit or loss account currently.

3.9 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 be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of products. Delivery occurs when the products have been shipped to or / and delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product either as per the sales contract or lapse of acceptance provision or the Company has objective evidence that all criteria for acceptance have been satisfied.
- Income on bank deposit and loan to employees is recognized on the time proportionate basis using effective interest method.
- Miscellaneous income is recognized on accrual basis.

3.10 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. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.11 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position 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.

3.12 Dividends and reserve appropriation

Dividends and reserve appropriations are recognized in the period in which these are declared / approved. Transfers between reserves made subsequent to reporting dates are considered as non-adjusting event and are recognised in the financial statement in the period in which these are approved.

3.13 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.14 Trade debts, loans, advances, deposits and other receivables

These are initially measured at the fair value of the consideration receivable. Subsequently these are valued at amortised cost. These assets are written off when there is no reasonable expectation of recovery. Credit loss is based on the expected credit loss.

3.15 Property, plant and equipment

- The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.
- Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except that building is stated at revalued amount less accumulated depreciation and impairment losses, if any, while land is stated at revalued amount (less impairment losses, if any). Leasehold land is not depreciated since the lease is renewable at nominal price at the option of the lessee.
- Capital work-in-progress is stated at cost accumulated to the balance sheet date less impairment losses, if any. Cost include expenditures directly attributable to the acquisition of an asset. Transfers are made to relevant asset category as and when asset are available for intended use.
- The cost of property, plant and equipment include:
 - (a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates;
 - (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
 - (c) borrowing cost, if any.
- Depreciation of all items except for land is charged on straight line method at the rates specified in respective note to the financial statements and is generally recognized in statement of profit or loss account. Depreciation on additions is charged from the month in which asset is available for use up to the month prior to disposal. Depreciation methods, useful lives and residual value of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed and adjusted if appropriate, at each reporting date.
- The assets' residual values and useful lives are reviewed at the reporting date and if expectations differ from previous estimates, the change is accounted for as a change in an accounting estimate.

- Leasehold land and building are revalued by independent professionally qualified valuer with sufficient regularity to ensure that the net carrying amount does not differ materially from the fair values. In case of building, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset. Surplus on revaluation of assets are credited to a 'Surplus on revaluation' account on the statement of financial position in equity. Surplus on revaluation of building to the extent of incremental depreciation charged thereon 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 is probable that the future economic benefits associated with the expenditure will flow to the Company and it meets the recognition criteria mentioned in accounting standards. All other expenditure is recognised in the statement of profit or loss account as expense.
- Gains or losses on disposal are included in statement of profit or loss account currently and the related residual revaluation surplus on property, plant and equipment, if any after taking into account incremental depreciation, is transferred directly to retained earnings.

3.16 Intangible assets

Intangible assets are initially recognised at cost less accumulated amortization and impairment losses, if any. Costs that are directly associated with identifiable software product controlled by the Company and have probable economic benefits beyond one year are recognised as intangible asset. Costs associated with maintaining computer software are recognised as an expense as and when incurred.

Amortisation is charged to statement of profit or loss account by applying the straight line basis whereby the carrying amount of an asset is amortised over its estimated useful life to the Company unless such life is indefinite. Amortisation is charged from the month the asset is available for use, while in case of disposal it is charged up to the month of disposal.

The Company accounts for impairment, where indications exist, by reducing asset's carrying amount to the recoverable amount.

3.17 Financial assets

Financial assets are initially recognised at the time when the Company becomes a party to the contractual provision of the instrument.

Financial assets currently comprising of the assets 'measured at amortised cost', are initially measured at fair value plus transaction costs that are directly attributable to its acquisition. These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairments are recognized in the statement of profit or loss account.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.18 Impairment of financial assets

The Company recognises loss allowances for Expected Credit Loss (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition (although in this case the measurement is at 12 month ECLs).

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for the recovery of amounts due.

3.19 Financial liabilities

Financial liabilities include long-term borrowings, short-term borrowings from banking companies, trade and other payables and mark-up accrued on bank borrowings are initially recognised at the time when the Company becomes party to the contractual provisions of the instruments. All financial liabilities are recognised initially at fair value plus 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 they are extinguished, that is, when the obligation referred in the contract is discharged, cancelled or have expired. Gain or loss on derecognition is recognised in the statement of profit or loss account.

3.20 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such an evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of the value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss account.

3.21 Contingent liabilities

A contingent liabilities is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, at one or more uncertain future events not wholly within the control of the company; or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation can not be measured with sufficient reliability.

3.22 Segment Reporting

Segment results that are reported to the company's Chief Executive Officer (CEO), the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office, expenses and tax assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wise disclosures.

3.23 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

4 PROPERTY, PLANT AND EQUIPMENT

Note 2020 2019
----- (Rupees in '000) -----

Operating fixed assets	4.1	3,028,324	3,083,572
Capital work-in-progress	4.2	1,038,154	295,451
		<u>4,066,478</u>	<u>3,379,023</u>

4.1 Operating fixed assets

	2020										
	Cost / revaluation				Depreciation				Net book	Rate	
	As at 01 July 2019	Additions	Revaluation (Disposals) surplus	As at 30 June 2020	As at 01 July 2019	For the year	(Disposals)	As at 30 June 2020	value as at 30 June 2020	%	
	----- (Rupees in '000) -----										
Leasehold land at revalued amount	1,863,000	4,603	-	-	1,867,603	-	-	-	1,867,603	-	
Building on leasehold land at revalued amount	470,883	1,084	-	-	471,967	-	23,543	-	448,424	5	
Leasehold improvements	25,530	10,741	-	-	36,271	23,559	2,528	-	10,184	20 & 33.3	
Plant and machinery	2,254,808	83,914	-	(3,111)	2,335,611	1,579,194	145,508	(3,111)	614,020	8, 12 & 25	
Office equipment and appliances	133,120	10,448	-	(865)	142,703	107,608	12,583	(865)	23,377	12, 25 & 33.3	
Furniture and fittings	33,694	6,405	-	-	40,099	21,226	2,653	-	16,220	8 & 12	
Vehicles	69,758	29,065	-	(2,318)	96,505	37,049	13,991	(2,285)	47,750	20	
Loose tools	6,371	97	-	-	6,468	4,956	766	-	746	33.3	
	4,857,164	146,357	-	(6,294)	4,997,227	1,773,592	201,572	(6,261)	3,028,324		

Cost of above assets include cost of operating assets of Rs. 1,079.10 million (2019 : Rs. 953.81 million) having net book value of Nil value at the reporting date which are still in use.

	2019										
	Cost / revaluation					Depreciation				Net book	Rate
	As at 01 July 2018	Additions	Revaluation surplus	(Adjustments*/ Disposal)	As at 30 June 2019	As at 01 July 2018	For the year	(Adjustments*/ Disposal)	As at 30 June 2019	value as at 30 June 2019	%
	----- (Rupees in '000) -----										
Leasehold land at revalued amount	892,000	510,819	460,181	-	1,863,000	-	-	-	-	1,863,000	-
Building on leasehold land at revalued amount	418,276	600	113,980	(61,973)*	470,883	41,049	20,924	(61,973)*	-	470,883	5
Leasehold improvements	25,530	-	-	-	25,530	19,461	4,098	-	23,559	1,971	20 & 33.3
Plant and machinery	2,202,140	52,668	-	-	2,254,808	1,417,561	161,633	-	1,579,194	675,614	8, 12 & 25
Office equipment and appliances	121,775	12,721	-	(1,376)	133,120	97,328	11,656	(1,376)	107,608	25,512	12, 25 & 33.3
Furniture and fittings	29,489	4,205	-	-	33,694	19,276	1,950	-	21,226	12,468	8 & 12
Vehicles	59,769	23,583	-	(13,594)	69,758	37,932	12,075	(12,958)	37,049	32,709	20
Loose tools	4,828	1,543	-	-	6,371	4,214	742	-	4,956	1,415	33.3
	3,753,807	606,139	574,161	(76,943)	4,857,164	1,636,821	213,078	(76,307)	1,773,592	3,083,572	

* Adjustment due to revaluation during the year

4.1.1 Factory of the Company is situated at 11.15 acres of land at B/21, S.I.T.E., Karachi. In addition to it, Plot No. K-23 at 42 acres of land at Nooriabad has been acquired for expansion.

4.1.2 Valuation of leasehold land and the building thereon was carried out by the Company as of 30 June 2019 through MYK Associates (Private) Limited (an independent valuer) on market value basis after making independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. Revaluations of the above assets were earlier carried out on 30 June 2005, 30 June 2008, 30 June 2011, 30 June 2014 and 30 June 2016. Resulting surplus has been credited to the revaluation surplus account, net of related tax effect. The balance in the surplus on revaluation of land and building as at the reporting date are not available for distribution to the shareholders. Had there been no revaluation, the related details under the cost model would have been as follows:

	Cost	Accumulated depreciation	Net book value	Forced sale value
	----- (Rupees in '000) -----			
Leasehold land at Plot No. B-21, S.I.T.E., Karachi	-	-	-	1,070,400
Leasehold land at Plot No. K-23, S.I.T.E., Nooriabad	515,422	-	515,422	420,000
Building	184,308	90,309	93,999	376,707
	<u>699,730</u>	<u>90,309</u>	<u>609,421</u>	<u>1,867,107</u>

4.1.3 Depreciation has been allocated as follows:

	Note	2020	2019
		----- (Rupees in '000) -----	
Cost of sales	26	176,137	189,720
Marketing, selling and distribution costs	27	12,017	12,115
Administrative expenses	28	13,418	11,243
		<u>201,572</u>	<u>213,078</u>

4.2 Capital work-in-progress

	Note	Cost			
		As at 01 July	Additions	Transfers	As at 30 June
		----- (Rupees in '000) -----			
Plant and machinery		213,912	438,775	(72,624)	580,063
Building on leasehold land	4.2.1	69,408	382,127	-	451,535
Office equipments		1,540	3,595	(4,345)	790
Advance for vehicles, leasehold improvement and furnitures and fittings		10,591	33,814	(38,639)	5,766
	2020	<u>295,451</u>	<u>858,311</u>	<u>(115,608)</u>	<u>1,038,154</u>
	2019	<u>69,098</u>	<u>764,148</u>	<u>(537,795)</u>	<u>295,451</u>

4.2.1 This includes borrowing cost related to the construction of factory amounting to Rs 30.973 million (2019: Nil) using rate ranging between 10.19% - 14.73% per annum (2019: Nil)

5 LEASES

2020

5.1 Right-of-use assets

Note

Building on
(Rupees in '000)

As at July 1, 2019
Additions
Depreciation expense
As at June 30, 2020

5.2

98,579
7,271
(26,704)
79,146

As at June 30, 2019

-

5.2 The depreciation charge on right of use assets for the year has been allocated as follows:

Marketing, selling and distribution costs
Administrative expenses

27

28

19,214
7,490
26,704

2019

-

5.3 Lease Liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The future lease payments have been discounted using average borrowing rate as at 01 July 2019.

Set out below the carrying amount of lease liabilities and the movements during the year:

As at July 01, 2019
Additions
Interest expense
Payments
As at June 30, 2020

71,358
7,271
11,231
(9,985)
79,875

Current
Non - current

55,157
24,718
79,875

2019

-

Lease liabilities are payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
	----- (Rupees in '000) -----		
Less than one year	62,606	7,449	55,157
Between one and five years	31,245	6,527	24,718
	93,851	13,976	79,875

6 INTANGIBLE ASSETS

Note 2020 2019
----- (Rupees in '000) -----

Operating intangible assets
Software under implementation

6.1	6,966	5,772
	2,125	3,325
	<u>9,091</u>	<u>9,097</u>

6.1 Operating intangible assets

	2020						Rate %
	Cost			Amortization		Net Book	
	As at 01 July 2019	Additions	As at 30 June 2020	As at 01 July 2019	For the year	As at 30 June 2020	Value as at 30 June 2020
----- (Rupees in '000) -----							
Computer software and license fee	25,184	5,184	30,368	19,412	3,990	23,402	33.33
----- (Rupees in '000) -----							
	2019						Rate %
	Cost			Amortization		Net Book	
	As at 01 July 2018	Additions	As at 30 June 2019	As at 01 July 2018	For the year	As at 30 June 2019	Value as at 30 June 2019
----- (Rupees in '000) -----							
Computer software and license fee	22,062	3,122	25,184	16,755	2,657	19,412	33.33

6.1.1 Amortization has been allocated as follows:

Note 2020 2019
----- (Rupees in '000) -----

Cost of sales
Administrative expenses

26	2,956	1,487
28	1,034	1,170
	<u>3,990</u>	<u>2,657</u>

7 INVESTMENT IN AN ASSOCIATED COMPANY

	2020 (% of holding)	2019	2020 (Rupees in '000)	2019
International Industries Limited (IIL) 633,600 (2019: 576,000) fully paid ordinary shares of Rs.10 each [market value of Rs. 58.12 million (2019: Rs. 44.39 million)]	0.48	0.48	<u>46,696</u>	<u>44,392</u>

7.1 Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship.

- 7.2** During the year, Rs. 0.57 million (2019: Rs. 12.46 million) is recognised in the statement of profit or loss account as the Company's share of the associated company's profit, Rs. 2.94 million (2019: Rs. 1.93 million) is increased in surplus on revaluation of assets on account as its share of surplus on the revaluation - net of tax of the associate's land and buildings. Further, Rs. 0.009 million (2019: Rs. 0.280 million) is recognized in statement of other comprehensive income as its share of associated company's other comprehensive income. Dividend amounting to Rs. 1.73 million (2019: Rs. 2.30 million) was received from the associated company during the year.

7.3 Summarised financial information of associated company

		International Industries Limited (IIL)	
		31 March 2020	31 March 2019
		(Un-audited)	
		----- (Rupees in '000) -----	
Assets			
Non- current assets		28,667,831	28,248,188
Current assets		38,680,787	34,440,025
Liabilities			
Non-current liabilities		9,473,256	10,779,241
Current liabilities		37,731,853	31,283,363
Revenue		73,293,707	70,169,604
Profit for the year		118,089	2,596,180
Other comprehensive income		1,846	(58,347)
Total comprehensive income(100%)		119,935	2,537,833
Increase / (decrease) in revaluation surplus on property (land and building)		719,947	(472,532)
Total comprehensive income(0.48%)		4,031	9,913

- 7.4** Above associate has been equity accounted for up to 31 March 2020. Management does not expect the results of operations for the 3 months ended 30 June 2020 to be material.

8 LONG-TERM LOAN RECEIVABLE

		Note	2020	2019
			----- (Rupees in '000) -----	
Considered good - secured				
Due from non-executive employees			6,228	9,258
Due from executives			3,561	1,269
		8.2	9,789	10,527
Current portion of long term loans		12	(3,582)	(3,533)
			6,207	6,994

- 8.1** Above loans have been given to the employees for the purchase of motor cars, motorcycles and other purposes as per the company policy and agreement with the workers' union. These are repayable in thirty-six to sixty equal monthly principal installments. This loan includes loans of Rs. 5.86 million (2019: Rs. 4.58 million) for the purchase of motor car and house loan that carry mark-up of 5% and 8%. Furthermore, it also includes motorcycle and marriage loan amounting to Rs. 3.93 million (2019: Rs. 5.95 million) that are interest free.

8.2 Movement during the year

Note 2020 2019
----- (Rupees in '000) -----

Opening balance	10,527	8,619
Loan granted	3,278	5,015
Mark-up accrued	353	232
Repayment of loan	(4,369)	(3,338)
Closing balance	9,789	10,527

9 STORES AND SPARES

Stores	6,199	1,192
Spares [including Rs. 2.75 million in transit (2019: Rs. 3.25 million)]	58,690	65,290
	64,889	66,482
Provision against slow moving stores and spares	9.1 (9,974)	(8,089)
	54,915	58,393

9.1 Provision against slow moving stores and spares

Balance as at 01 July	8,089	6,521
Charge during the year	1,885	1,568
Balance as at 30 June	9,974	8,089

10 STOCK-IN-TRADE

Raw materials [including Rs. 194.23 million in transit (2019: Rs. 255.07 million)]	10.1	806,130	1,021,593
Work-in-process	10.2	404,966	543,260
Finished goods	10.2	653,522	598,511
Scrap		37,779	39,837
		1,902,397	2,203,201

10.1 Raw material includes slow moving items carried at Nil (2019: Nil) as against their cost of Rs. 8.06 million (2019: Rs. 15.37 million).

10.2 Work-in-process and finished goods include slow moving items aggregating Rs. 78.87 million (2019: Rs. 4.81 million) and Rs. 38.51 million (2019: Rs. 31.46 million) respectively stated at their net realizable values against their cost of Rs. 115.87 million (2019: Rs. 4.85 million) and Rs. 59.37 million (2019: Rs. 46.68 million) respectively.

10.3 Provision against raw materials

Balance as at 01 July	15,367	25,456
Reversal during the year	(7,309)	(10,089)
Balance as at 30 June	8,058	15,367

11 TRADE DEBTS

Note	2020	2019
	----- (Rupees in '000) -----	

Unsecured and non-interest bearing

Due from related parties	11.1	137,222	296,405
Others		1,593,494	1,854,656
		<u>1,730,716</u>	<u>2,151,061</u>
Provision for doubtful trade debts	11.2	(78,064)	(62,297)
		<u>1,652,652</u>	<u>2,088,764</u>

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

Intermark (Private) Limited		135,943	294,226
Atlas Engineering (Private) Limited		664	-
Atlas Energy Limited		397	-
Atlas Honda Limited		218	368
International Industries Limited		-	1,737
Atlas Autos (Private) Limited		-	74
	11.1.1	<u>137,222</u>	<u>296,405</u>

11.1.1 Above balances are mark-up free and unsecured. Aging of above balances at the reporting date is as follows:

Not past due	34,789	296,405
Past due 1-60 days	23,862	-
Past due 61-90 days	78,571	-
	<u>137,222</u>	<u>296,405</u>

None of the above debts are considered to be impaired.

11.2 Provision for doubtful trade debts

Balance as on 01 July	62,297	47,914
Additional impairment on initial application of IFRS 9	-	14,542
	<u>62,297</u>	<u>62,456</u>
Charge / (reversal) during the year - net	16,904	(84)
Trade debts balances written off during the year	(1,137)	(75)
	<u>78,064</u>	<u>62,297</u>

- 11.3** The related parties from whom the maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances are as under:

Note	2020	2019
	----- (Rupees in '000) -----	
Intermark (Private) Limited	354,280	294,226
International Steels Limited	15,170	1,947
Atlas Energy Limited	4,528	-
Atlas Autos (Private) Limited	2,555	2,350
Atlas Honda Limited	2,056	13,822
International Industries Limited	1,499	2,995
Atlas Engineering (Private) Limited	664	7,103
ICI Pakistan Limited	178	5,734
Atlas Power Limited	58	466
Cherat Cement Limited	-	4,623

12 SHORT-TERM LOANS AND ADVANCES

Current portion of long term loans	8	3,582	3,533
Short-term advances to employees		1,805	1,748
Advances to suppliers		18,614	41,899
		20,419	43,647
		24,001	47,180

13 SHORT-TERM DEPOSITS AND PREPAYMENTS

Deposits	23,112	23,294
Prepayments	5,603	33,941
	28,715	57,235

14 OTHER RECEIVABLES - considered good

Sales tax refundable	32,683	-
Receivable from staff pension fund - related party	26,128	-
Receivable from Workers' profit participation fund - net	-	30,126
Insurance claim receivable	500	500
Others	165	165
	59,476	30,791

15 CASH AND BANK BALANCES

With banks - in current accounts	65,604	70,230
- profit and loss sharing account	19,209	17,291
Cash in hand	327	421
	85,140	87,942

- 15.1** The profit and loss sharing bank balance carry profit at the rate of 6.50% (2019: 10.25%) per annum

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020 2019
-----[Number of shares]-----

Authorised Share Capital

<u>50,000,000</u>	<u>50,000,000</u>	Ordinary shares of Rs. 10 each
-------------------	-------------------	--------------------------------

Issued, subscribed and paid-up Share Capital

15,590,819	15,590,819	Ordinary shares of Rs. 10 each fully paid in cash
174,775	174,775	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash
19,812,376	19,812,376	Ordinary shares of Rs. 10 each issued as fully paid bonus shares
<u>35,577,970</u>	<u>35,577,970</u>	

Note 2020 2019
-----[Rupees in '000]-----

<u>500,000</u>	<u>500,000</u>
----------------	----------------

155,908	155,908
1,748	1,748
198,123	198,123
<u>355,779</u>	<u>355,779</u>

16.1

- 16.1** This includes 6,092,470 (2019: 6,092,470) ordinary voting shares of Rs. 10 each held by International Industries Limited (associated company).

17 REVALUATION SURPLUS ON PROPERTY (Land and building) - net of tax

Leasehold land

Balance as at 01 July

Surplus arising on revaluation carried out during the year

Building on leasehold land

Balance as at 01 July of revaluation surplus

Surplus arising on revaluation carried out during the year

Transferred to unappropriated profit in respect of incremental depreciation charged during the year

Related deferred tax liability at beginning of the year

Related deferred tax liability on revaluation carried out as at 30 June 2019

Related deferred tax liability of amount transferred to unappropriated profit in respect of incremental depreciation charged during the year

Effect of change in future tax rate

Balance of deferred tax liability as of the year-end

Share of surplus on revaluation of land and building of the associated company - [net of tax of Rs. 1.61 million (2019: Rs. 1.09 million)]

	1,352,181	892,000
	-	460,181
	<u>1,352,181</u>	<u>1,352,181</u>
	373,079	274,340
	-	113,980
	(18,654)	(15,241)
	<u>354,425</u>	<u>373,079</u>
	(108,194)	(70,110)
	-	(33,054)
	5,410	4,420
	-	(9,450)
	<u>(102,784)</u>	<u>(108,194)</u>
	9,112	6,175
	<u>1,612,934</u>	<u>1,623,241</u>

17.2

17.2

21

17.1 The revaluation surplus on land and building is a capital reserve and is not available for distribution to the shareholders of the company in accordance with section 241 of the Companies Act, 2017.

17.2 Net transfer to unappropriated profit amounted to Rs. 13.24 million (2019: Rs. 10.82 million).

18 LONG-TERM BORROWINGS - secured

	Note	2020 ----- (Rupees in '000) -----	2019
Loan from conventional financial institutions	18.1	870,284	789,375
Current portion shown under current liabilities		(214,933)	(108,750)
		655,351	680,625
Deferred income - government grant	18.2	10,900	-
Current portion of deferred income - government grant		(3,237)	-
		7,663	-
		663,014	680,625

18.1 Long term loans have been obtained for the purpose of capital expenditure which are secured against mortgage of land and building and hypothecation of specific plant and machinery. The Company has also availed long term loans for its salaries and wages of staff under Refinance Scheme as announced by State Bank of Pakistan (SBP).

A long term loan of Rs. 500 million has been obtained for capital expenditure which is secured against mortgage against land at S.I.T.E., Karachi and building thereon (charge of Rs. 1,333 million). The total amount outstanding against this loan is Rs. 500 million as on 30 June 2020 (2019: Rs. 500 million). Rate of markup on the above loan is at 6 months KIBOR plus 0.25% per annum. It is repayable in six half yearly equal instalments of Rs. 83.33 million commencing from 12 May 2021. The facility available under the above arrangement amounted to Rs. 1,000 million of which the amount remained unutilized as at that date was Rs. 500 million (2019: Facility available of Rs. 1,000 million of which amount unutilized as at 30 June 2019 was Rs. 500 million).

The company has also obtained certain long term loans for the purpose of capital expenditure which are secured against hypothecation of specific items of plant and machinery (charge of Rs. 700 million). The total amount outstanding against these loans amounts to Rs. 270.63 million as on 30 June 2020 (2019: Rs. 289.38 million). Rate of markup on these loans at the year end ranged between 6 months KIBOR plus 0.10% / 0.60% / 0.65% per annum. These loans are for five years from the date of disbursement and are repayable in eight half yearly equal principal instalments of Rs. 9.38 million, Rs. 14.38 million, Rs. 4.38 million, Rs. 20.00 million and Rs. 11.25 million commencing from 09 August 2017, 24 November 2017, 22 February 2018, 21 August 2019 and 05 February 2021 respectively. The facility available under the above arrangement amounted to Rs. 1,200 million of which the amount remained unutilized as at that date was Rs. 675 million (2019: Facility available of Rs. 1,200 million of which amount unutilized as at 30 June 2019 was Rs. 765 million).

In addition to the above, the Company has also obtained long term loans of Rs. 110.28 million for financing its salaries and wages under SBP Refinance Scheme for payment of wages and salaries, earmarked from running finance limit, which is secured against first Joint Pari Passu Hypothecation charge over stock and book debts. The rate of markup on these loans are at 1% per annum. These loans are for two and half years and are repayable in eight equal quarterly instalments of Rs. 5.25 million and Rs. 8.54 million commencing from 15 January 2021 and 28 January 2021 respectively. The facility available under the above arrangement amounted to Rs. 145 million of which the amount remained unutilized as at 30 June 2020 was Rs. 35 million (2019: Nil).

- 18.2** Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The company has obtained the said borrowing from a commercial bank at subsidized rate in four tranches on 15 May 2020, 28 May 2020, 4 June 2020 and 28 June 2020 at 1% concessional interest rate which is repayable in October 2022 in 8 quarterly installments to a commercial bank under the SBP scheme.

Government grant amounting to Rs. 11.277 million has been recorded during the year ended 30 June 2020 and Rs. 0.377 million has been amortised during the year. In accordance with the terms of the grant, the company is prohibited to lay-off the employees atleast for three months from the period of the grant.

19 STAFF RETIREMENT BENEFITS

19.1 Defined benefit plans

The details of the actuarial valuation under the projected unit credit method as at 30 June 2020 for funded pension and unfunded gratuity schemes are as follows:

19.1.1 Actuarial assumptions

	2020		2019	
	Pension	Gratuity	Pension	Gratuity
	----- (%) -----		----- (%) -----	
Discount rate	8.60	8.60	13.70	13.70
Expected rate of salary increase				
- Executives	7.80	-	12.50	-
- Workmen	-	5.10	-	7.20
Pension increase	0.00	-	3.60	-

19.1.2 Balance sheet reconciliation

	Note	2020		2019	
		Pension	Gratuity	Pension	Gratuity
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Fair value of plan assets	19.1.3	430,134	-	370,405	-
Present value of defined benefit obligations	19.1.4	(404,006)	(42,628)	(372,250)	(31,280)
Net asset / (liability)	19.1.8	26,128	(42,628)	(1,845)	(31,280)

19.1.3 Changes in fair value of plan assets

Fair value as at 01 July		370,405	-	387,179	-
Interest income		49,850	-	36,240	-
Remeasurement gain / (loss) due to investment return		22,950	-	(49,723)	-
Benefits paid		(13,071)	-	(24,291)	-
Contribution to the fund		-	-	21,000	-
Fair value as at 30 June	19.1.10	430,134	-	370,405	-

19.1.4 Changes in present value of defined benefit obligation

Note	2020		2019	
	Pension	Gratuity	Pension	Gratuity
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Obligation as at 01 July	372,250	31,280	405,765	32,695
Current service cost	5,915	1,686	7,994	1,879
Interest cost	50,103	3,957	37,000	2,975
Remeasurement gain / (loss) due to:				
- Change in financial assumptions	(15,227)	8,813	(75,006)	(5,433)
- Experience adjustment	4,036	1,688	20,788	1,254
Benefits paid	(13,071)	(4,796)	(24,291)	(2,090)
Obligation as at 30 June	404,006	42,628	372,250	31,280

19.1.5 Amounts recognised in the statement of profit or loss account

Service cost	5,915	1,686	7,994	1,879
Net interest on net defined benefit liability	253	3,957	760	2,975
Chargeable in statement of profit or loss account	6,168	5,643	8,754	4,854

19.1.6 Amounts recognised in statement of other comprehensive income (OCI)

Remeasurement due to:				
Change in financial assumptions	(15,227)	8,813	(75,006)	(5,433)
Experience adjustment	4,036	1,688	20,788	1,254
Investment return	(22,950)	-	49,723	-
Chargeable to statement of other comprehensive income	(34,141)	10,501	(4,495)	(4,179)
Total	(27,973)	16,144	4,259	675

19.1.7 Amount recognised in the statement of other comprehensive income for both the above benefits is Rs. 23.64 million (2019: Benefit of Rs. 8.67 million).

19.1.8 Recognised (liability) / asset

Balance as on 01 July	(1,845)	(31,280)	(18,586)	(32,695)
(Expense) / income recognised	27,973	(16,144)	(4,259)	(675)
Payments during the year	-	4,796	21,000	2,090
Company's asset / (liability) as at 30 June	26,128	(42,628)	(1,845)	(31,280)
19.1.9 Actual return on plan assets	72,800	-	(13,483)	-

19.1.10 Fund investments composition / fair value of plan assets

	2020	2019	2020	2019
	----- (Percentage) -----		----- (Rupees in '000) -----	
Government bonds				
- Pakistan Investment Bonds (3 to 10 years)	77%	52%	331,808	191,681
Term Finance Certificates of Bank Al-Falah Limited	0%	19%	-	69,944
Listed equity shares (related party)	5%	5%	23,470	17,926
Mutual funds				
- NBP Sarmaya Izafa Fund (Formerly: NAFA Asset Allocation Fund)	8%	8%	33,211	30,690
- NBP Islamic Sarmaya Izafa Fund (Formerly: NAFA Islamic Asset Allocation Fund)	7%	8%	31,690	29,191
- Atlas Islamic Income Fund	1%	1%	2,793	2,500
- Atlas Income Fund	0.3%	0%	1,106	-
- Al-Falah GHP Islamic Income Fund	0.5%	0%	2,134	-
Bank balances	1%	7%	3,922	28,473
			<u>430,134</u>	<u>370,405</u>

19.1.11 Historical information

	2020	2019	2018	2017	2016
	----- (Rupees in '000) -----				
Pension					
Fair value of plan assets	430,134	370,405	387,179	425,294	303,975
Present value of the defined benefit obligation of pension	(404,006)	(372,250)	(405,765)	(397,682)	(340,633)
Surplus / (deficit) in the plan	<u>26,128</u>	<u>(1,845)</u>	<u>(18,586)</u>	<u>27,612</u>	<u>(36,658)</u>
Gratuity (unfunded)					
Fair value of plan assets	-	-	-	-	-
Present value of the defined benefit obligation of gratuity	(42,628)	(31,280)	(32,695)	(29,154)	(29,529)
Deficit in the plan	<u>(42,628)</u>	<u>(31,280)</u>	<u>(32,695)</u>	<u>(29,154)</u>	<u>(29,529)</u>

19.1.12 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on Obligation of Change in Assumption	
	Increase in assumption	Decrease in assumption
	-----[Rupees in '000]-----	
Discount rate - change by 1%	(37,102)	43,582
Salary increase - change by 1%	11,764	(10,610)
Pension increase - change by 1%	33,072	-

If life expectancy increases by 1 year, the obligation increases by Rs. 11.05 million (2019: Rs. 7.05 million). In addition the weighted average of plan durations for pension is 10.1 years (2019: 9.5 years), while for gratuity it is 9.6 years (2019: 8.0 years).

19.1.13 Maturity profile of the defined benefit obligation - undiscounted payments

	(Time in years)				
	1	2	3	4	5
	----- (Rupees in '000) -----				
Distribution of timing of benefit payments					
- Pension	32,512	34,615	35,585	36,051	38,046
- Gratuity	1,248	2,416	1,464	8,895	2,589
	<u>33,760</u>	<u>37,031</u>	<u>37,049</u>	<u>44,946</u>	<u>40,635</u>

19.1.14 Cost projections for the financial year ending 30 June 2021 (chargeable to the statement of profit or loss account), as per the actuary, for pension amounts to Rs. 4.10 million, while for the gratuity it amounts to Rs. 5.98 million.

19.1.15 All employees in managerial and supervisory categories other than workers are eligible to the pension scheme. However, the plan is closed to new members. Normal pension age is 55 years, although service after attaining the normal pension age is also pensionable. Settlement of the pension is based on the basic salary and as per the service rules. At 30 June 2020, 65 members (2019: 67 members) were covered under the pension scheme. Gratuity is for the unionised staff (non-management employees). In this case the normal retirement age is 60 years and is payable on the basis of basic salary as per service rules. At 30 June 2020, 200 members (2019: 208 members) were covered under the gratuity scheme.

19.2 Defined contribution plan

The Company has set up provident fund for its permanent employees and contributions were made by the Company to the Trust in accordance with the requirement of Section 218 of the Companies Act, 2017. Total charge against provident fund for the year ended 30 June 2020 was Rs. 18.30 million (2019: Rs. 16.94 million).

Investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Act and the Rules formulated for this purpose.

20 OTHER LONG-TERM EMPLOYEE BENEFITS

This represents accrual for staff compensated absences and includes liability in respect of key management personnel amounting to Nil (2019: Rs. 0.23 million). During the year the Company decreased its accrual by Rs. 32.18 million (2019: increased by Rs. 2.59 million) which has been recognised in the statement of profit or loss account.

21 DEFERRED TAX LIABILITY - net

	Balance as at 30 June 2018	Recognised in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	Recognised in other comprehensive income	Balance as at 30 June 2019	Recognised in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	Recognised in other comprehensive income	Balance as at 30 June 2020	
	2019					2020				
	(Rupees in '000)									
Taxable temporary differences on										
Accelerated tax depreciation	79,158	(29,597)	-	-	49,561	(15,065)	-	-	34,496	
Surplus on revaluation of building on leasehold land	70,110	(4,420)	42,504	-	108,194	(5,410)	-	-	102,784	
Share of surplus on revaluation of land and building of the associated company	1,430	-	(340)	-	1,090	-	518	-	1,608	
Share of profit of an equity accounted associated company	5,523	1,091	-	-	6,614	(174)	-	-	6,440	
	156,221	(32,926)	42,164	-	165,459	(20,649)	518	-	145,328	
Deductible temporary differences on										
Provision for staff retirement benefit	(8,459)	(2,039)	-	1,417	(9,081)	(245)	-	(3,045)	(12,371)	
Provision for doubtful debts	(16,196)	(1,870)	-	-	(18,066)	(4,572)	-	-	(22,638)	
Provision for slow-moving stores and spares	(1,630)	(716)	-	-	(2,346)	(547)	-	-	(2,893)	
Provision for import levies and other provisions	(71,603)	31,218	-	-	(40,385)	(8,106)	-	-	(48,491)	
	(97,888)	26,593	-	1,417	(69,878)	(13,470)	-	(3,045)	(86,393)	
Deferred tax liability - net	58,333	(6,333)	42,164	1,417	95,581	(34,119)	518	(3,045)	58,935	

21.1 Deferred tax balance has been recognised at the rate at which these are expected to be settled / realised.

22 TRADE AND OTHER PAYABLES

	Note	2020	2019
(Rupees in '000)			
Creditors		463,061	183,029
Accrued expenses		282,377	286,186
Salary and wages payable		7,049	3,069
Accrual for import levies	22.2	296,568	259,144
Sales tax payable		-	55,742
Payable to staff provident fund - related party		2,967	727
Payable to staff pension fund - related party	19.1.2	-	1,845
Workers' welfare fund		110	3,604
Security deposits from distributors and employees	22.3	16,364	16,158
Withholding income tax payable		8,157	2,425
Others		1,146	629
		<u>1,077,799</u>	<u>812,558</u>

22.1 All the above liabilities are non-interest bearing except as disclosed in note 22.3 below.

22.2 Accrual for import levies

This represents accrual for import levies on imported raw materials and machines, etc. The Company along with many other companies have filed appeal against the levy of Infrastructure Cess at the import stage levied by the 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 28 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 Honourable Supreme Court which referred back the matter to the High Court in the year 2011. During the year 2012, the High Court 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 28 December 2006 to 30 May 2011 and to give bank guarantees for the balance amount. Guarantees submitted for the period prior to 28 December 2006 were also to be released by the department. Further, all consignments after 30 May 2011 are being released on the basis of 50% payment in cash and 50% on furnishing of bank guarantees. 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.

22.3 Security deposits from distributors and employees

These deposits are placed in a separate bank account and comply with the requirement of section 217 of Companies Act, 2017. The break-up of security deposits is as follows:

	Note	2020	2019
		----- (Rupees in '000)-----	
Deposits from distributors	22.3.1	5,963	5,973
Deposits from employees	22.3.2	10,401	10,185
		16,364	16,158

22.3.1 This includes security deposit from distributors under mark-up arrangements amounting to Rs. 5.0 million (2019: Rs. 5.0 million) and carries mark-up at 6% per annum.

22.3.2 These are deposits from employees as a part of their employment contract with the Company and are non-interest bearing deposits.

23 SHORT TERM LOANS FROM BANKING COMPANIES

Secured

Running musharka under Shariah arrangements	23.1	1,106	6,065
Running finances under mark-up arrangements	23.2	113,324	842,423
Running finances from banks		114,430	848,488
Short term finances under mark-up arrangements	23.3	1,120,000	650,000
		1,234,430	1,498,488

23.1 Running musharka under Shariah arrangements

Running Musharaka under Shariah arrangement carries mark-up at the rate of 1 month KIBOR plus 0.5% per annum (2019: 1 month KIBOR plus 0.5% per annum) and the available facility is Rs. 500 million (2019: Rs. 400 million). At 30 June 2020, the facility unutilised was Rs. 499 million.

23.2 Running finances under mark-up arrangements

The Company has also arranged short-term running finance facilities under mark-up arrangements from certain banks. The overall facility for these running finances under mark-up arrangements amounts to Rs. 2,690 million (2019: Rs. 2,550 million). Rate of mark up on these running finance facilities under mark-up arrangements ranges between 1 to 3 months KIBOR plus spread ranging between 0.15% to 1.0% per annum net of prompt payment rebate (2019: 1 to 3 months KIBOR plus spread ranging between 0.15% to 1.0% per annum). These facilities will expire between 30 June 2020 to 22 June 2021 and are renewable.

23.3 Short term finances under mark-up arrangement

Amount outstanding against the short term finance facilities as at 30 June 2020 was Rs. 1,120 million (2019: Rs. 650 million) against the available facilities of Rs. 3,295 million (2019: Rs. 2,945 million). This includes facilities earmarked out of the total running finance facilities obtained from banks. Mark-up on short term finance is agreed at each disbursement and as at 30 June 2020, it was at 1 month KIBOR plus spread ranging between 0.15% to 0.25% per annum (2019: 1 month KIBOR plus spread ranging between 0.15% to 0.25% per annum).

23.4 Other facilities

The facility for opening letters of credit and guarantees as at 30 June 2020 amounted to Rs. 3,805 million including Rs. 1,005 million relating to the guarantees (2019: Rs. 3,175 million including Rs. 775 million relating to the guarantees) of which the amount remained unutilized as at that date was Rs. 2,998 million including Rs. 405 million relating to the guarantees (2019: Rs. 2,250 million including Rs. 291 million relating to the guarantees).

23.5 Securities

These above arrangements are secured by way of joint pari passu hypothecation over stocks, stores and spares and present and future trade debts of the Company of Rs. 5,625 million and ranking charges of Rs. 454 million for facilities availed from various commercial banks which will be upgraded to joint pari passu charge.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

- a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 35 million (2019: Rs. 13.2 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 600 million (2019: Rs. 484 million) have been given to various parties for contract performance, tender deposits, import levies, etc.
- c) Refer note 32 also for tax related details.

24.2 Commitments

- a) Aggregate commitments for capital expenditure as at 30 June 2020 amounted to Rs. 383.24 million (2019: Rs. 471.39 million).
- b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 30 June 2020 amounted to Rs. 64.61 million (2019: Rs. 27.12 million). These are in respect of the letters of credit opened before the year end but no shipment by then had been made.

25 NET SALES

2020 2019
----- (Rupees in '000)-----

Gross local sales	10,534,206	11,345,338
Export sales	119,429	52,149
	<u>10,653,635</u>	<u>11,397,487</u>
Sales tax	(1,562,282)	(1,693,176)
Discount	(5,228)	-
	<u>(1,567,510)</u>	<u>(1,693,176)</u>
	<u>9,086,125</u>	<u>9,704,311</u>

25.1 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets, major product lines and sales channels:

Primary geographical markets

Pakistan	8,966,696	9,652,162
Middle East	64,880	7,767
Africa	33,926	26,468
Asia	-	17,914
South America	20,623	-
	<u>9,086,125</u>	<u>9,704,311</u>

Major products lines

Wire and cables	8,858,754	9,450,751
Aluminium profile business	227,371	253,560
	<u>9,086,125</u>	<u>9,704,311</u>

Sales channels

Goods sold:		
- directly to consumers	7,776,645	7,795,287
- through intermediaries	1,309,480	1,909,024
	<u>9,086,125</u>	<u>9,704,311</u>

26 COST OF SALES

Note 2020 2019
----- (Rupees in '000)-----

Opening work-in-process		543,260	503,424
Opening stock - raw material		1,021,593	878,375
Opening stock - scrap		39,837	49,748
		1,061,430	928,123
Purchases of raw material		6,935,150	7,815,696
		7,996,580	8,743,819
Sales of scrap material during the year		(207,963)	(212,440)
Closing stock - raw material		(806,130)	(1,021,593)
Closing stock - metal scrap		(37,779)	(39,837)
		(843,909)	(1,061,430)
		6,944,708	7,469,949
Stores and spares consumed		96,766	101,790
Fuel and power		239,110	224,881
Salaries, wages and benefits	26.1	480,154	471,119
Rent, rates and taxes	26.2	39,359	38,498
Insurance		8,506	9,371
Repairs and maintenance		30,315	36,792
Depreciation	4.1.3	176,137	189,720
Amortization	6.1.1	2,956	1,487
Communication and stationery		2,607	1,884
Training, travelling and entertainment		20,765	18,716
Coiling and warehousing costs		66,433	79,161
Security expense		16,564	13,504
General works		18,171	17,076
Cost of production		1,197,843	1,203,999
		8,685,811	9,177,372
Closing work-in-process		(404,966)	(543,260)
Cost of goods manufactured		8,280,845	8,634,112
Opening stock of finished goods		598,511	523,037
		8,879,356	9,157,149
Closing stock of finished goods		(653,522)	(598,511)
		8,225,834	8,558,638

26.1 Details of salaries, wages and benefits

Salaries, wages and benefits	462,882	452,619
Provident fund contributions	9,140	9,500
Charge for pension fund obligation	2,489	4,315
Charge for staff retirement gratuity	5,643	4,685
	480,154	471,119

26.2 This includes expense relating to short term and low value leases amounting to Rs. 24.56 million.

27 MARKETING, SELLING AND DISTRIBUTION COSTS

Note 2020 2019
----- (Rupees in '000)-----

Salaries, wages and benefits	27.1	128,641	138,028
Rent, rates and taxes	27.2	2,502	19,619
Insurance		2,053	1,709
Repairs and maintenance		2,990	1,818
Communication and stationery		4,038	4,274
Training, travelling and entertainment		22,934	28,628
Advertising and publicity		133,804	190,544
Carriage and forwarding expenses		93,620	103,579
Commission		1,950	772
Depreciation	4.1.3	12,017	12,115
Depreciation on right-of-use asset	5.2	19,214	-
Subscriptions		2,125	1,965
Fuel and power		5,936	4,780
Others		3,280	2,001
		<u>435,104</u>	<u>509,832</u>

27.1 Details of salaries, wages and benefits

Salaries, wages and benefits	122,322	130,928
Provident fund contributions	4,984	4,141
Charge for pension fund obligation	1,335	2,790
Charge for staff retirement gratuity	-	169
	<u>128,641</u>	<u>138,028</u>

27.2 This includes expense relating to short term and low value leases amounting to Rs. 2.40 million.

28 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	28.1	135,548	170,427
Office rent		-	9,057
Insurance		3,751	3,191
Repairs and maintenance		10,316	9,842
Legal and professional		10,363	23,977
Donations	28.2	5,077	8,015
Auditors' remuneration	28.3	1,933	1,834
Communications and stationery		9,123	8,961
Training, travelling and entertainment		7,289	4,916
Depreciation	4.1.3	13,418	11,243
Depreciation on right-of-use asset	5.2	7,490	-
Amortisation	6.1.1	1,034	1,170
Fuel and power		6,090	4,574
Others		10,900	8,985
		<u>222,332</u>	<u>266,192</u>

28.1 Details of salaries, wages and benefits

Note	2020	2019
	----- (Rupees in '000)-----	
Salaries, wages and benefits	129,028	165,480
Provident fund contributions	4,176	3,298
Charge for pension fund obligation	2,344	1,649
	<u>135,548</u>	<u>170,427</u>

28.2 Donations

Details of donations given to a single party exceeding Rs. 1,000,000/- or 10 percent of company's total amount of donation, whichever is higher, during the year are as follows:

Karachi Relief Trust	2,000	-
Network of Organizations Working for People with Disabilities Pakistan (NOWPDP)	1,500	-
Indus Hospital	-	3,100
Amir Sultan Chinoy Foundation	-	1,250

28.3 Auditors' remuneration

Audit fee	949	949
Fee for the review of half yearly financial statements	348	348
Fee for the review of Code of Corporate Governance and other certificates	317	262
Out of pocket expenses and others	319	275
	<u>1,933</u>	<u>1,834</u>

29 FINANCE COSTS

Mark-up on finances under mark-up arrangements	105,638	107,647
Mark-up on finances under a Shariah compliance arrangement	13,654	10,797
Mark-up on finances under export refinance	223	40
Mark-up on long-term loans under mark-up arrangements	104,832	63,025
Mark-up on workers' profits participation fund	-	45
Mark-up on lease liability	11,231	-
Mark-up on distributors deposit	300	300
Exchange loss	40,441	1,233
Bank charges	6,960	5,513
	<u>283,279</u>	<u>188,600</u>

29.1 It includes mark up paid amounting to Rs 9.4 million.

30 OTHER EXPENSES

Workers' profits participation fund	-	9,472
Workers' welfare fund	110	4,273
Liquidated damages for late deliveries	4,324	802
	<u>4,434</u>	<u>14,547</u>

31 OTHER INCOME

Note 2020 2019
----- (Rupees in '000)-----

Income from non-financial assets

- Commission income
- Sale of scrap
- Gain on disposal of fixed assets
- Others

2,610	26,186
17,486	17,683
2,038	8,279
804	-
22,938	52,148

Income from financial instruments

- Mark-up income on loans to employees
- Profit on bank deposits
- Amortisation of government grant
- Reversal of liabilities no longer payable

353	232
3,296	1,071
377	-
9,795	1,123
13,821	2,426
36,759	54,574

32 TAXATION

- Current - for the year
- prior years - net
- Deferred - due to changes in temporary differences
- Prior years - net (adjusted against the reversal of prior years tax liability)
- due to change in tax rate

18,242	79,523
43,227	(23,064)
(34,119)	(19,031)
-	27,073
-	(14,375)
(34,119)	(6,333)
27,350	50,126

32.1

32.1 Relationship between average effective tax rate and applicable tax rate

(Loss) / profit before income tax

(64,436)	176,359
-----------------	----------------

Tax at the applicable rate of 29% (2019: 29%)

(18,686)	51,144
-----------------	---------------

Tax permanent difference

2,437	3,345
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Tax effect of tax credits

-	(2,633)
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Tax effect of expenses that are not allowable in determining the taxable income - net

-	16,606
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Tax effect of income charged at different rate

614	(7,644)
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Tax effect of liability over three years already offered for tax in prior year

(242)	(326)
--------------	--------------

Prior year tax provision - net

43,227	4,009
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Tax effect of change in tax rate for future years

-	(14,375)
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Tax charge

27,350	50,126
---------------	---------------

- 32.2** The income tax assessments of the Company are deemed to have been assessed up to and including the tax year 2019 while the assessments have been finalized up to and including the tax year 2017.
- 32.3** Return submitted under section 114 of the Income Tax Ordinance, 2001 for the tax years 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 filed an appeal in the High Court against this decision and is expecting a favourable outcome of its appeal.
- 32.4** Return submitted under section 114 of the Income Tax Ordinance, 2001 for the tax year 2016 was amended under section 122(5A) of the Income Tax Ordinance, 2001 by the Income Tax Additional Commissioner Inland Revenue Audit (ACIR). ACIR added back expenses amounting to Rs. 2.75 million in taxable income of the company and adjusted Workers Welfare Fund (WWF) amounting to Rs. 9.45 million from outstanding refund of the Company, despite the fact that same had already been deposited to Sindh Revenue Board in June 2017. However, as a result of the appeal filed by the Company, the Commissioner (Appeals) allowed Workers Welfare Fund (WWF) upto the extent of amount paid to Sindh Revenue Board (SRB) amounting to Rs. 6.7 million. Company has filed an appeal with Tribunal for the remaining amount of Workers Welfare Fund (WWF) of Rs. 2.8 million and is expecting favourable outcome of its appeal.
- 32.5** Return submitted under section 114 of the Income Tax Ordinance, 2001 for the tax year 2017, was amended under section 122(5A) of the Income Tax Ordinance, 2001 by the Income Tax Additional Commissioner Inland Revenue Audit (ACIR). ACIR added back expense on account of Infrastructure cess amounting to Rs. 31.32 million in taxable income of the company and also demanded Workers Welfare Fund (WWF) amounting to Rs. 13.92 million, despite the fact that same had already been deposited to Sindh Revenue Board in December 2017. Company has filed an appeal to the Commissioner of Appeals Inland Revenue LTU, Karachi and expecting a favourable outcome of its appeal.
- 32.6** The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.
- 32.7** Tax liability under the minimum tax regime for the current year is higher than the tax charge recognised in these financial statement by Rs. 121.5 million. Company is of the view that future taxable incomes will be available from which this additional tax can be adjusted.

33 (LOSS) / EARNINGS PER SHARE - basic and diluted

	2020 ----- (Rupees in '000)-----	2019 ----- (Rupees in '000)-----
33.1 (Loss) / profit after taxation	(91,786)	126,233
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	35,578	35,473
	(Rupees)	
(Loss) / earnings per share - basic and diluted	(2.58)	3.56

34 CASH GENERATED FROM OPERATIONS

Note 2020 2019
----- (Rupees in '000)-----

(Loss) / profit before taxation		(64,436)	176,359
Adjustment for non cash charges and other items:			
- Depreciation	4.1.3	201,572	213,078
- Depreciation on right-of-use asset	5.2	26,704	-
- Amortization of intangible assets	6.1.1	3,990	2,657
- Amortization of government grant	31	(377)	-
- Provision for staff retirement benefits	19.1.5	11,811	13,608
- Other long-term employee benefits	20	(32,180)	2,586
- Gain on disposal of fixed assets	31	(2,038)	(8,279)
- Share of profit from associate	7.2	(567)	(12,462)
- Impairment loss on investment in associate		-	57,263
- Finance costs	29	283,279	188,600
- Working capital changes	34.1	1,008,561	(442,748)
		<u>1,436,319</u>	<u>190,662</u>

34.1 Working capital changes

Decrease / (increase) in current assets			
- Stores and spares		3,478	5,871
- Stock-in-trade		300,804	(248,617)
- Trade debts		436,112	(131,596)
- Short-term loans and advances		23,179	19,439
- Short term deposits and payments		7,467	(22,317)
- Other receivables - net		(2,557)	(21,282)
		<u>768,483</u>	<u>(398,502)</u>
Increase / (decrease) in current liabilities			
- Trade and other payables		267,086	67,179
- Contract liabilities		(27,008)	(111,425)
		<u>240,078</u>	<u>(44,246)</u>
		<u>1,008,561</u>	<u>(442,748)</u>

35 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items:

Cash and bank balances	15	85,140	87,942
Running finances from banks	23	(114,430)	(848,488)
		<u>(29,290)</u>	<u>(760,546)</u>

36 FINANCIAL INSTRUMENTS

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

36.1 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:

	2020	2019
	----- (Rupees in '000)-----	
Trade debts	1,652,652	2,088,764
Loan to employees	9,789	10,527
Deposits	37,675	38,561
Bank balances	84,813	87,521
Other receivables	26,793	30,791
	<u>1,811,722</u>	<u>2,256,164</u>

36.1.1 The maximum exposure to credit risk at the reporting date by geographic region was as follows:

Domestic (Pakistan)	1,800,719	2,256,164
Middle East	11,003	-
	<u>1,811,722</u>	<u>2,256,164</u>

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

Dealers and distributors	767,253	1,129,905
End-user customers	885,399	958,859
	<u>1,652,652</u>	<u>2,088,764</u>

36.1.3 As at the year end, the company's most significant customers included a stockist from whom Rs. 216.83 million was due (Distributor - 2019: Rs. 294.23 million) and an end-user from whom Rs. 180.54 million was due (2019: Rs. 200.23 million).

36.1.4 Loans, advances and other receivables mentioned above include due from the employees of the company, while the deposits are held with utility companies, etc. All the financial assets of the Company are unsecured (except as mentioned in note 8).

36.1.5 Impairment losses and past due balances

The ageing of trade debt balances at the reporting date is as follows:

	2020		2019	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	943,950	3,688	1,597,213	833
Past due 1-60 days	273,030	1,335	371,289	2,193
Past due 61 days -1 year	463,620	22,925	133,288	9,873
More than one year	50,116	50,116	49,271	49,398
	<u>1,730,716</u>	<u>78,064</u>	<u>2,151,061</u>	<u>62,297</u>

Above balances are unsecured. None of the other financial assets are past due or impaired other than those which have been provided. Movement of provision against trade debts is disclosed in note 11.2.

36.1.6 Settlement risk

All transactions are settled / paid for upon delivery as per the advice of the management. The Company's policy is to enter into financial instrument contract by internal guidelines such as approving counter parties and approving credits.

36.1.7 Bank balances

The Company maintain bank balances with banks having good credit rating. Currently the balances are held with banks having long term ratings of AAA Rs. 44.69 million (2019: Rs. 53.01 million) and AA+ Rs. 40.13 million (2019: Rs. 34.51 million) as per a credit rating company.

36.2 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. Following are the contractual maturities of undiscounted financial liabilities, including interest payments (based on the remaining period to maturity):

Non-Derivative Financial liabilities

Long term borrowings
including mark up thereon

Trade and other payables

Lease liabilities

Short-term borrowings
including mark up thereon

2020					
Carrying amount	Total contractual cash flows	Contractual cash flows			
		Six months or less	Six to twelve months	One to two years	More than two years
----- (Rupees in '000) -----					
900,046	(1,010,770)	(98,534)	(197,336)	(327,223)	(387,677)
585,140	(585,140)	(585,140)	-	-	-
79,875	(93,851)	(39,453)	(15,704)	(8,141)	(30,553)
1,260,985	(1,260,985)	(1,260,985)	-	-	-
2,826,046	(2,950,746)	(1,984,112)	(213,040)	(335,364)	(418,230)

Non-Derivative Financial liabilities

Long term borrowings
including mark up thereon

Trade and other payables

Short-term borrowings
including mark up thereon

2019					
Carrying amount	Total contractual cash flows	Contractual cash flows			
		Six months or less	Six to twelve months	One to two years	More than two years
----- (Rupees in '000) -----					
807,264	(1,040,139)	(100,454)	(97,570)	(256,342)	(585,772)
323,742	(323,742)	(323,742)	-	-	-
1,520,850	(1,520,850)	(1,520,850)	-	-	-
2,651,856	(2,884,731)	(1,945,046)	(97,570)	(256,342)	(585,772)

36.2.1 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 note 18 and 23 to these financial statements.

36.3 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.

36.3.1 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 bank balance and import of raw materials that are denominated in a foreign currency. The Company's exposure to foreign currency risk is as follows:

	2020			
	Rupees	US Dollars	Euro	CNY
	----- (in '000) -----			
Trade debts	11,003	65	-	-
Bank balance	39,935	237	-	-
Creditors	(128,461)	(725)	(29)	(24)
Exposure	(77,523)	(423)	(29)	(24)

	2019			
	Rupees	US Dollars	Euro	CNY
	----- (in '000) -----			
Trade debts	-	-	-	-
Bank balance	34,489	210	-	-
Creditors	(27,036)	(139)	(22)	-
Exposure	7,453	71	(22)	-

Above exposure is payable by the Company in Rupees at the rate on which these are settled by the Company.

Following are the significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2020	2019	2020	2019
	----- (Rupees) -----			
US Dollars	158.25	136.32	168.75	164.50
Euro	175.06	155.34	189.73	186.99
CNY	22.51	21.72	24.00	24.19

Sensitivity analysis

A five percent strengthening / (weakening) of the Rupee against US Dollar at 30 June would have increased / (decreased) equity and statement of profit or loss account by loss of Rs. 3.87 million (2019: Gain of Rs. 0.38 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis was performed on the same basis for 2019.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit or loss for the year and assets / liabilities of the Company.

36.3.2 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 borrowings from the banks. At the reporting date the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	Carrying amount	
	2020	2019
	----- (Rupees in '000)-----	
Fixed Rate Instruments		
Financial assets	5,218	4,138
Financial liabilities	190,159	-

Variable rate instruments

Financial liabilities	2,005,330	2,287,863
Financial assets	19,209	17,291

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or 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) profit as of 30 June 2020 by Rs. 4.86 million (2019: Rs. 3.39 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

Interest rate analysis of the financial instruments

A summary of the Company's interest rate gap position, analysed by the earlier of contractual repricing or maturity date is as follows:

	Carrying amount	
	2020	2019
	----- (Rupees in '000)-----	
<i>Financial assets</i>		
Bank balance	19,209	17,291
<i>Financial liability</i>		
Borrowing from banks	(2,005,330)	(2,287,863)
Lease liabilities	(79,875)	-
Net balance exposed to interest rate risk	(2,065,996)	(2,270,572)

Loan to employees amounting to Rs. 5.86 million (2019: Rs. 4.58 million) as mentioned in note 8 have not been included in the above table as it is not material. Interest rates on the above borrowings are disclosed in notes 18 and 23. Interest rate on bank balance are disclosed in note 15.1.

36.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2020					
	Short term borrowings used for cash management purpose (Running Finance including interest accrued)	Other Short term borrowing including interest accrued	Long term borrowings including interest accrued	Lease liabilities	Revenue reserve	Total
----- (Rupees in '000) -----						
Balance as at 1 July 2019	868,041	652,809	807,264	71,358	1,303,632	3,703,104
<i>Changes from financing cash flows:</i>						
Repayment of long term borrowing	-	-	(108,751)	-	-	(108,751)
Proceeds from long term borrowing	-	-	200,284	-	-	200,284
Amortisation of government grant	-	-	(377)	-	-	(377)
Dividend declared	-	-	-	-	(35,578)	(35,578)
Addition to leases	-	-	-	7,271	-	7,271
Lease rentals paid	-	-	-	(9,985)	-	(9,985)
Changes in short term borrowings relating to financing activities	(734,058)	470,000	-	-	-	(264,058)
Total changes from financing activities	(734,058)	470,000	91,156	(2,714)	(35,578)	(211,194)
<i>Other changes:</i>						
Finance cost	83,510	83,706	104,832	11,231	-	283,279
Finance cost paid	(79,864)	(82,594)	(103,583)	-	-	(266,041)
Total loan related other changes	3,646	1,112	1,249	11,231	-	17,238
Total equity related other changes	-	-	-	-	(61,748)	(61,748)
Balance as at 30 June	137,629	1,123,921	899,669	79,875	1,206,306	3,447,400

36.5 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.

36.6 Fair value of financial instruments

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

2020

On-balance sheet financial instruments

Financial assets not measured at fair value

Trade debts
Loan to employees
Deposits
Other receivables
Cash and bank balances

Note	Carrying amount	
	Financial assets	Total
	----- (Rupees in '000)-----	

36.6.1

1,652,652	1,652,652
9,789	9,789
37,675	37,675
59,476	59,476
85,140	85,140
<u>1,844,732</u>	<u>1,844,732</u>

Carrying amount	
Other financial liabilities	Total
----- (Rupees in '000)-----	

Financial liabilities not measured at fair value

Trade and other payables
Short term borrowings from banking companies
Mark-up accrued on bank borrowings

36.6.1

1,077,799	1,077,799
1,234,430	1,234,430
45,605	45,605
<u>2,357,834</u>	<u>2,357,834</u>

2019

On-balance sheet financial instruments

Financial assets not measured at fair value

Trade debts

Loan to employees

Deposits

Other receivables

Cash and bank balances

Note	Carrying amount	
	Financial assets	Total
	----- (Rupees in '000)-----	
36.6.1	2,088,764	2,088,764
	10,527	10,527
	38,561	38,561
	30,791	30,791
	87,942	87,942
	<u>2,256,585</u>	<u>2,256,585</u>

Carrying amount	
Other financial liabilities	Total
----- (Rupees in '000)-----	

Financial liabilities not measured at fair value

Trade and other payables

Short term borrowings from banking companies

Mark-up accrued on bank borrowings

36.6.1	812,558	812,558
	1,498,488	1,498,488
	40,251	40,251
	<u>2,351,297</u>	<u>2,351,297</u>

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

37 MEASUREMENT OF FAIR VALUES OF NON - FINANCIAL ASSETS

Non financial assets measured at fair value

Date of valuation

Valuation approach and inputs used

Inter-relationship between significant unobservable input and fair value measurement

Revalued property, plant and equipment

- Land and Building

30 June 2019

The valuation model of land is based on price per acre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets. The value determined is best and highest.

The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

Details of the value of an investment in an associated Company are disclosed in note 7.

38 OPERATING SEGMENTS

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

38.1 Revenue from cables & wires represents 97% (2019: 97%) of the total revenue of the Company.

38.2 Sales represents local sales of Rs. 8,966.70 million (2019: Rs. 9,652.16 million) and export sales of Rs. 119.43 million (2019: Rs. 52.15 million).

38.3 All non-current assets of the Company at 30 June 2020 are located in Pakistan. The Company does not have any customer having sales of 10% or more during the year ended 30 June 2020 (2019: 10%).

39 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

39.1 Remuneration of the chief executive, directors and executives

The aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive and executives of the Company were as follows:

	2020			2019		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
----- (Rupees in '000) -----						
Managerial remuneration (including performance bonus)	21,980	18,403	159,051	56,313	16,357	147,768
House rent, utilities and others	9,211	7,518	67,587	13,832	5,203	58,691
Retirement benefits	2,713	-	8,517	-	2,400	8,111
	<u>33,904</u>	<u>25,921</u>	<u>235,155</u>	<u>70,145</u>	<u>23,960</u>	<u>214,570</u>
Number of persons	<u>1</u>	<u>1</u>	<u>39</u>	<u>1</u>	<u>1</u>	<u>32</u>

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year. The chief executive and certain executives of the Company are provided with free use of cars. The chief executive and executives are also provided with medical facilities in accordance with their entitlements.

39.2 In addition to the above, aggregate amount charged in these financial statements in respect of directors' fee and reimbursement of expenses to Non-Executive Directors amounted to Rs. 4.78 million (2019: Rs. 3.39 million).

40 TRANSACTIONS WITH RELATED PARTIES

Parties which are related to the Company in pursuit of IAS 24 'Related Party Disclosures' including associates, staff retirement benefit plans and key management personnel are considered for disclosure of related party transactions. Contributions to defined contribution plan (provident fund) are made as per the terms of employment and contribution to /charge for the defined benefit plan (pension scheme) are in accordance with the actuarial advice. Remuneration of key management personnel are in accordance with their terms of employment. Share of profit of the associated company and dividend from them are as per the profit and dividend declared by them. Other transactions are at agreed terms.

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

Transaction with related parties

Name of the related party	Relationship shareholding	Transactions during the year	2020 ----- (Rupees in '000)-----	2019
Intermark (Private) Limited	Associate	Sale of goods	586,168	902,037
International Industries Limited	Associate	Sale of goods	2,564	12,149
		Sharing of expense	-	1,198
		Purchase of goods, services and materials	49,316	-
		Sharing of rental office expenses	523	542
		Dividend paid	6,092	30,462
		Dividend received	1,728	5,184
		Proportionate share of changes in equity	4,031	12,182
		Bonus shares 57,600 received	-	-
International Steels Limited	Associate	Sale of goods	25,786	4,736
		Purchase of goods, services and materials	3,732	-
Amir Sultan Chinoy Foundation	Common directorship	Donation	-	1,250
Askari Bank Limited	Common directorship	Sale of goods	2,021	-
Atlas Autos (Private) Limited	Common directorship	Sale of goods	3,715	4,127
Atlas Engineering Limited	Common directorship	Sale of goods	906	10,932
Atlas Honda Limited	Common directorship	Sale of goods	3,399	16,105
		Purchase of goods, services and materials	226	263
Atlas Energy Limited	Common directorship	Sale of goods	7,904	-
Atlas Power Limited	Common directorship	Sale of goods	50	459
Cherat Cement Company Limited	Common directorship	Sale of goods	-	913
Convex Construction	Common directorship	Purchase of goods, services and materials	27,808	-
ICI Pakistan Limited	Common directorship	Sale of goods	167	10,525
MCB Bank Limited	Common directorship	Repayments (net)	-	31,626
		Bank Service charges and mark-up	-	4,300
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium	2,615	4,233
		Insurance claim receivable / received	1,500	500
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	18,300	16,939
		Retirement benefit plans payable	2,967	727
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge / (benefit) in respect of Staff retirement benefit plans	(27,973)	4,259
		Retirement benefit plans receivable / (Payable)	26,128	(1,845)
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Dividends paid	11,873	39,448
		Directors' fees	4,050	3,325
		Sale of vehicle	-	5,250
		Directors' fee payable	750	150
Workers' Profit Participation Fund	Staff benefit plan	Net charge in respect of Staff benefit plan	-	9,472
		Staff benefit plan receivable	-	30,126

Remuneration of key management personnel of are disclosed in note 39.1 and 39.2.

41 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 and sizes of cables and wires and type of aluminium sections produced.

42 NUMBER OF EMPLOYEES

The total number of employees as at year end were 474 (2019: 485) and average number of employees were 475 (2019: 487).

The total number of factory employees as at year end were 366 (2019: 379) and average number of factory employees were 370 (2019: 385).

43 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on 11 August 2020 have for the year ended 30 June 2020, proposed final cash dividend of Rs. Nil per share (2019: Re. 1.00 per share) amounting to Rs. Nil million (2019: Rs. 35.58 million) and appropriation to general reserves amounting to Rs. Nil million (2019: Rs. 41.00 million) for approval by the members of the Company in the Annual General Meeting to be held on 29 September 2020. The financial statements for the year ended 30 June 2020 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 2021.

44 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 11 August 2020 by the Board of Directors of the Company.



Chief Executive Officer



Chairman



Chief Financial Officer

YOUR LOYALTY, OUR POWER

SHAREHOLDERS'
INFORMATION



Investor Relations

REGISTERED OFFICE

B-21 Pakistan Cables Road
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Tel: +92 -21- 32561170-5
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Email: info@pakistancables.com

SHARE REGISTRAR

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

Share transfers, dividend payment and all other investor related matters are attended to and processed by the Company's Share Registrar.

INVESTOR RELATIONS CONTACT

Mr. Faisal Baig
Email: faisal.baig@pakistancables.com
Tel: +92-21-3246 2107-11 Ext: 330
Fax: +92-21-32564614

FINANCIAL CALENDAR

The Company follows the period of July 1 to June 30 as the Financial Year.
For the Financial Year 2020-2021, financial results will be announced as per the following tentative schedule:

1st Quarter ending September 30, 2020	Last week of October 2020
2nd Quarter ending December 31, 2020	Last week of January 2021
3rd Quarter ending March 31, 2021	Last week of April 2021
4th Quarter ending June 30, 2021	Second week of August 2021

LISTING

Ordinary shares of the Company are listed on the Pakistan Stock Exchange.

STOCK CODE

The stock code for trading in ordinary shares of the Company at the Pakistan Stock Exchange is PCAL.

STATUTORY COMPLIANCE

The Company is in compliance with applicable provisions of the Companies Act 2017, as replaced by the Companies Ordinance 1984, as well as circulars/mandates issued thereunder, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Regulations of the Securities and Exchange Commission of Pakistan and the Listing Rules of the Pakistan Stock Exchange.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on September 29, 2020 at 10:00 a.m. via Zoom video-link.

To attend the meeting, members are requested to register themselves by providing the following information through email at faisal.baig@pakistancables.com on or before September 26, 2020.

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Members who are registered, after the necessary verification, will be provided a Zoom video-link by the Company on the same email address that they email the Company with. The login facility will remain open from 9:45 a.m. till the end of the meeting.

BOOK CLOSURE

Share Transfer Books of the Company will remain closed from September 22, 2020 to September 29, 2020 (both days inclusive).

WEB PRESENCE

Updated information regarding the Company can be accessed at its website www.pakistancables.com. The website contains the latest financial information of the Company together with the Company's profile.

Pattern of Shareholding

As at June 30, 2020

Number of Shareholders	Shareholding		Total Shares Held	Number of Shareholders	Shareholding		Total Shares Held
	From	To			From	To	
891	1	100	18,002	1	295,001	300,000	300,000
455	101	500	122,065	-	300,001	360,000	-
250	501	1,000	191,569	1	360,001	365,000	363,325
378	1,001	5,000	843,301	-	365,001	470,000	-
80	5,001	10,000	556,870	1	470,001	475,000	472,525
36	10,001	15,000	449,794	-	475,001	605,000	-
9	15,001	20,000	159,093	1	605,001	610,000	610,000
12	20,001	25,000	278,267	-	610,001	685,000	-
4	25,001	30,000	109,686	1	685,001	690,000	690,000
1	30,001	35,000	34,100	-	690,001	715,000	-
2	35,001	40,000	73,576	1	715,001	720,000	719,999
2	40,001	45,000	81,192	-	720,001	750,000	-
2	45,001	50,000	98,041	1	750,001	755,000	753,200
1	50,001	55,000	50,803	-	755,001	1,005,000	-
1	55,001	60,000	55,625	1	1,005,001	1,010,000	1,005,700
-	60,001	70,000	-	-	1,010,001	2,130,000	-
1	70,001	75,000	71,548	1	2,130,001	2,135,000	2,133,533
-	75,001	80,000	-	-	2,135,001	2,510,000	-
3	80,001	85,000	250,498	1	2,510,001	2,515,000	2,511,338
1	85,001	90,000	88,277	-	2,515,001	2,855,000	-
2	90,001	95,000	183,935	1	2,855,001	2,860,000	2,859,492
1	95,001	100,000	98,000	-	2,860,001	3,860,000	-
1	100,001	105,000	101,613	2	3,860,001	3,865,000	7,721,493
-	105,001	110,000	-	-	3,865,001	4,915,000	-
1	110,001	115,000	110,346	1	4,915,001	4,920,000	4,919,369
-	115,001	150,000	-	-	4,920,001	6,090,000	-
1	150,001	155,000	150,075	1	6,090,001	6,095,000	6,092,470
-	155,001	245,000	-	-	6,095,001	35,577,970	-
1	245,001	250,000	249,250				
-	250,001	295,000	-	2,151			35,577,970

Categories of Shareholders

	No. of Shareholders	No. of Shares	Percentage
Associated Companies, Undertakings and Related Parties			
International Industries Limited	1	6,092,470	17.12
Mutual Funds	8		
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		2,133,533	6.00
CDC - TRUSTEE AKD OPPORTUNITY FUND		472,525	1.33
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		363,325	1.02
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND		249,250	0.70
MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND		82,475	0.23
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND		14,500	0.04
CDC-TRUSTEE NITIPF EQUITY SUB-FUND		6,875	0.02
CDC-TRUSTEE NITPF EQUITY SUB-FUND		5,000	0.01
Directors, Chief Executive Officer, their Spouses and Minor Children	10	7,991,039	22.46
Executives	14	61,165	0.17
Public Sector Companies and Corporations	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	9	192,011	0.54
Shareholders holding five percent or more voting rights in the Company	3	10,232,831	28.76
General Public	2,096	7,444,637	20.93
Others	10	236,334	0.66
Total	2,151	35,577,970	100.00

Highlights of the Annual General Meeting 2019

Issues/Queries/Comments	Responses	Implementation
The shareholders inquired if the economic slowdown was anticipated to be a short term issue.	It was expected that the economy would stabilize and for the market to recover and business to resume.	Efforts were underway to reduce the impacts of the slowdown, both internal and external.
The shareholders suggested targeting housing societies to make sales to as these could be expected to be large volumes of sales.	The state of the economy had unfortunately resulted in upcoming societies such as DHA and Bahria to have slowed down but housing societies are being targeted on an ongoing basis by the Company.	Consistent efforts were underway to secure such projects.
The shareholders inquired that while the US dollar had risen, copper prices had fallen, in that case why had the impact of the rising dollar been so high on the price of Company products?	The rise in the US dollar had been very significant, about 35% whereas the copper price reduction had been marginal.	Prices adjustments are made to reflect the impact of both copper prices and the USD:PKR parity.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 67th Annual General Meeting of the shareholders of Pakistan Cables Limited (the “Company”) will be held on Tuesday, 29th day of September 2020 at 10:00 a.m. via Zoom videolink, to transact the following business:

1. ORDINARY BUSINESS

- i. To confirm the minutes of the Extraordinary General Meeting held on May 4, 2020.
- ii. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Reports of the Directors and Auditors thereon.
- iv. To appoint Auditors for the ensuing year and to fix their remuneration for the year ending June 30, 2021. The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, have retired and being eligible, have offered themselves for re-appointment. The Board of Directors recommends, based on the recommendation of the Board Audit Committee, the appointment of KPMG Taseer Hadi & Co. as auditors for the ensuing year.

2. ANY OTHER BUSINESS

To transact any other ordinary business which may legally be transacted at an Annual General Meeting, with the permission of the Chair.

By order of the Board of Directors

Nazifa Khan

Manager Legal Affairs and Company Secretary

Karachi: August 11, 2020

NOTES:

1. The Shares Transfer Books of Pakistan Cables Limited (the “Company”) will remain closed from September 22nd, 2020 to September 29th, 2020 (both days inclusive). No transfers will be accepted for registration during this period. Transfers in good order, received at the office of the Company’s Share Registrar namely THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400, by the close of business on September 21st, 2020 will be considered in time for the purpose of payment of final dividend to the transferees.
2. To attend the meeting, members are requested to register themselves by providing the following information through email at faisal.baig@pakistancables.com on or before September 26, 2020.

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Members who are registered, after the necessary verification, will be provided a Zoom video link by the Company on the same email address that they email the Company with. The login facility will remain open from 9:45 a.m. till the end of the meeting.

Shareholders who wish to send in comments/suggestions on the agenda of the AGM can email the Company at faisal.baig@pakistancables.com or WhatsApp at 0303-7484995

3. 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.
4. 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.
5. The Members who have not yet submitted photocopy of their valid CNIC to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400. Corporate entities are requested to provide their National Tax Number (NTN). Please give the folio number with the copy of CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. In case of non-receipt of the copy of a valid CNIC, the Company will not transmit the dividends of such shareholders to comply with the said SROs of SECP.
6. The Government of Pakistan through the Finance Act, 2020 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
 - a. Rate of tax deduction for filer of income tax returns: 15.0%
 - b. Rate of tax deduction for non-filers of income tax return: 30.0%

All the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date otherwise tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

A valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in the above Clause must provide a valid Tax Exemption Certificate to our Shares Registrar; else tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

7. For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non-Filer" status of the principal shareholder as well as the joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400 in the writing as follows, otherwise it will be assumed that the shares are equally held by the principal shareholder and the joint shareholder(s):

Folio/CDC Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC	Shareholding Proportion (No. of Shares)	Name and CNIC	Shareholding Proportion (No. of Shares)

8. Shareholders are requested to notify their change of address, Zakat declaration and Tax exemption certificate (if any) immediately to the Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400. Please further note that Zakat will be deducted from dividends at source at the rate of 2.5% of the paid up value of the shares under Zakat and Ushr laws and will be deposited within the prescribed period with the relevant authority. In the event that you would like to claim an exemption, please submit, with your broker/CDC/the Company's Share Registrar, your Zakat Declaration form CZ -50 under the Zakat and Ushr Ordinance 1980 and Rule 4 of the Zakat (Deduction and Refund) Rules 1981.

9. Electronic Transmission of Annual Report

SECP, through its SRO 470(1)/2016 dated May 31, 2016, has allowed companies to circulate their annual accounts to shareholders through CD/DVD/USB at their registered addresses. However, any shareholder may request the Company Secretary in writing to provide a printed copy of the annual report at their registered address, free of cost.

Members are further informed that pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 regarding electronic transmission of the Company's Annual Report and AGM notice, we have uploaded the request form on the Company's website - <http://www.pakistancables.com/media/2587/electronic-transmission-ar.pdf>. Those members who want to avail this facility are requested to submit the duly filled request form to our Share Registrar THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400.

10. Electronic Transmission of Dividend

In accordance with the requirements of section 242 of the Companies Act 2017, cash dividends shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Shareholders are requested to provide their folio number, name, bank account details comprising of bank name, branch name, branch code, account number, title of account and IBAN, which they designate for crediting of their dividend. A standard form has also been placed on the Company's website - <http://www.pakistancables.com/media/19095/e-dividend-mandate-form.pdf>. Please ensure that such details are provided to the Company's Share Registrar THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400 and/or your broker/participant/CDC Investor account services, failing which the Company will be unable to process your dividend payment.

۸۔ حصص داران سے درخواست کی جاتی ہے کہ وہ اپنے پیسے میں تبدیلی، زکوٰۃ اعلیٰ اور ٹیکس سے استثنیٰ کا ٹھیکہ (اگر موجود ہے) سے متعلق کمپنی کے شیئر رجسٹر THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک P.E.C.H.S.6 کراچی۔ 75400 کو فوری آگاہ کریں۔ مزید یاد رہے کہ زکوٰۃ اور عشر قوانین کے تحت حصص کی ادا شدہ قیمت کے 2.5 فیصد کی شرح سے منافع منقسمہ سے زکوٰۃ کی کٹوتی ہوگی اور متعلقہ اٹھارٹی کو مخصوص مدت میں جمع کرانی جائے گی۔ اگر آپ استثنیٰ کا دعویٰ کرنا چاہتے ہیں تو برائے مہربانی اپنے بروکر/ CDC / کمپنی کے شیئر رجسٹر کو زکوٰۃ اور عشر آرڈیننس 1980ء اور زکوٰۃ (کٹوتی اور واپسی) قواعد 1981ء کے تحت اپنا زکوٰۃ ڈیکلیریشن فارم CZ-50 جمع کرائیں۔

۹۔ سالانہ رپورٹ کی برقی منتقلی

SECP اپنے مؤرخہ 31 مئی، 2016ء کے مراسلہ نمبر SRO 470(1)/2016 کمپنیوں کو ہدایت جاری کرتی ہے کہ وہ اپنے حصص داران کو ان کے رجسٹرڈ پتے پر بذریعہ CD/DVD/USB اپنے سالانہ کھاتے ترسیل کریں۔ تاہم، کوئی بھی حصص دار کمپنی سیکرٹری کو سالانہ کھاتوں کی مفت پرنٹ شدہ نقل کی فراہمی کی درخواست کر سکتا ہے۔

اراکین کو مزید آگاہ کیا جاتا ہے کہ کمپنی کی سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس کی برقی ترسیل کی مدد میں SECP کے مؤرخہ 8 ستمبر 2014ء کے مراسلہ نمبر SRO 787(1)/2014 کی تعمیل میں ہم نے کمپنی کی ویب سائٹ <http://www.pakistancables.com/media/2587/electronic-transmission-ar.pdf> پر درخواست فارم فراہم کر دیا ہے۔ ایسے اراکین جو یہ سہولت حاصل کرنا چاہتے ہیں ان کو درخواست کی جاتی ہے وہ اپنے مکمل طور پر درخواست فارم ہمارے شیئر رجسٹر THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک 6، P.E.C.H.S.6 کراچی۔ 75400 کو جمع کرائیں۔

۱۰۔ منافع منقسمہ کی برقی ترسیل

کمپنیز ایکٹ 2017ء کے سیکشن 242 کی ضروریات کے تحت نقد منافع منقسمہ اہل حصص داران کے مقررہ بینک اکاؤنٹ میں بذریعہ برقی طریقہ کار ہی ادا کیا جائے گا۔ حصص داران سے درخواست کی جاتی ہے کہ وہ اپنے منافع منقسمہ کی منتقلی کے لئے مقررہ کئے گئے اکاؤنٹ کی تفصیلات بمعہ اپنا فون نمبر، نام، بینک اکاؤنٹ کی تفصیلات بشمول نام بینک و برانچ، برانچ کوڈ، اکاؤنٹ نمبر، اکاؤنٹ ٹائٹل اور IBAN فراہم کریں۔ کمپنی کی ویب سائٹ پر <http://www.pakistancables.com/media/19095/e-dividend-mandate-form.pdf> ایک معیاری فارم بھی اپ لوڈ کر دیا گیا ہے۔ برائے مہربانی یقینی بنائیں کہ یہ تفصیلات کمپنی کے شیئر رجسٹر THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک P.E.C.H.S.6 کراچی۔ 75400 اور/یا اپنے بروکر/شراکت دار/ CDC انویسٹر اکاؤنٹ سروسز کو فراہم کر دی گئی ہیں تاکہ کامی کی صورت میں کمپنی آپ کے منافع منقسمہ کی ادائیگی پر عمل درآمد نہ کر سکے گی۔

۳۔ اس اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن اپنی جگہ شرکت اور ووٹ کرنے کے لئے ایک پراسی مقرر کر سکتا ہے۔ پراسی کمپنی کا رکن ہونا چاہئے۔

۴۔ پراسی کی تقرری کا دستاویز اور مختار نامہ یا زبردستی دیگر اتھارٹی یا نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ پتہ واقع S.I.T.E.، B-21، کراچی میں اجلاس کے آغاز سے 48 گھنٹے قبل جمع کرائی جائے۔

۵۔ ایسے اراکین جنہوں نے کمپنی/شیئر رجسٹر اراکوں اپنے جائز شناختی کارڈ کی نقل ابھی تک جمع نہیں کروائی ہے، کو ایک مرتبہ پھر یاد دہانی کرائی جاتی ہے کہ وہ اپنی پہلی فرصت میں کمپنی کے شیئر رجسٹر THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک P.E.C.H.S.6، کراچی۔ 75400 کو ارسال کر دیں۔ کاروباری اداروں کو درخواست کی جاتی ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) فراہم کریں۔ برائے مہربانی CNIC کی نقل/NTN تفصیلات کے ہمراہ اپنا فوٹو نمبر فراہم کریں۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مورخہ ۱۸ اگست ۲۰۱۱ء کے مراسلہ نمبر SRO799(I) اور مورخہ ۰۵ جولائی ۲۰۱۲ء کے مراسلہ نمبر SRO831(I)2012 کے تحت ایک حوالہ بھیجا گیا جس کے تحت منافع منقسمہ کی اطلاع میں رجسٹرڈ رکن یا مجاز فرد کا CNIC نمبر موجود ہونا چاہئے ماسوائے کم سن افراد اور کارپوریٹ اراکین کے۔ جائز CNIC کی نقل وصول نہ ہونے کی صورت میں SECP کے مذکورہ SROs کی تعمیل میں حصص داران کو منافع منقسمہ منتقل نہیں کیا جائے گا۔

۶۔ بذریعہ فائنس ایکٹ ۲۰۲۰، حکومت پاکستان نے انکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 میں خصوصی ترامیم کی ہیں جس کے تحت کمپنیز کی جانب سے ادا شدہ منافع منقسمہ پر وود ہولڈنگ ٹیکس کی کٹوتی کی مختلف شرحیں بیان کی گئی ہیں۔ محصولات کی شرح حسب ذیل ہے:

a. انکم ٹیکس ریٹرز کے فائلر کے لئے ٹیکس کٹوتی کی شرح: ۱۵ فی صد

b. انکم ٹیکس ریٹرز کے نان فائلر کے لئے ٹیکس کٹوتی کی شرح: ۳۰ فی صد

تمام حصص داران جن کے نام FBR کی ویب سائٹ پر فائلر ہونے کے باوجود ایکٹو ٹیکس پیئر زلسٹ (ATL) میں درج نہ ہیں کو درخواست کی جاتی ہے وہ بک بند ہونے کی تاریخ سے قبل ATL میں اپنے نام کے اندراج کو یقینی بنائیں بصورت دیگر نقد منافع منقسمہ پر ۱۵ فی صد کی بجائے ۳۰ فی صد ٹیکس کٹوتی ہوگی۔

آرڈیننس کے دوسرے جدول کے حصہ چہارم کی شق 47B کے تحت وود ہولڈنگ ٹیکس سے استثنیٰ کے دعویٰ کے لئے آرڈیننس کے سیکشن 159 کے تحت جائز استثنیٰ شقوقیت لازمی ہے۔ ایسے افراد جو مذکورہ بالا شق کے ذمے میں آتے ہیں انہیں شیئر رجسٹر اراکوں ٹیکس سے استثنیٰ کا جائز شقوقیت جمع کرانا ہوگا۔ بصورت دیگر آرڈیننس کے سیکشن 150 میں بیان کردہ ٹیکس شرح کے تحت منافع منقسمہ کی رقم پر ٹیکس کٹوتی ہوگی۔

۷۔ FBR کی جانب سے جاری کردہ وضاحت کے تحت شریک حصص داران کے لئے، پرنسپل حصص داران بشمول شیئر ہولڈنگ تناسب کے تحت شریک ہولڈرز (ز) کی ”فائلر/نان فائلر“ کی حیثیت کے مطابق وود ہولڈنگ ٹیکس کا علیحدہ علیحدہ تعین کیا جائے گا۔ لہذا، ایسے تمام شریک حصص داران کو درخواست کی جاتی ہے کہ وہ حصص کی مد میں پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر کے شیئر ہولڈنگ تناسب کی تفصیلات کمپنی کے شیئر رجسٹر THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک P.E.C.H.S.6، کراچی، 75400 کو حسب ذیل تحریری طور پر آگاہ کریں۔ بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز مساوی تعداد میں حصص رکھتے ہیں۔

فولیو/CDG اکاؤنٹ نمبر	کل حصص	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
		نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (تعداد حصص)	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (تعداد حصص)

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ پاکستان کبلر لمیٹڈ ("کمپنی") کے حصص داران کا ۶۷ واں سالانہ اجلاس عام ۲۹ ستمبر ۲۰۲۰ء بروز منگل بذریعہ Zoom ویڈیو لنک بوقت 10:00 صبح مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا۔

۱۔ عمومی امور

- ۲۰۲۰ء کو منعقدہ غیر معمولی اجلاس عام کی روئیداد کی توثیق کرنا۔
- ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ہمراہ ۳۰ جون ۲۰۲۰ء کو اختتام پذیر سال کے کمپنی کی سالانہ پڑتا شدہ مالیاتی اسٹیٹمنٹس کو وصول کرنا، مد نظر رکھنا اور اپنانا۔
- آئندہ برس کے لئے آڈیٹرز کی تقرری کرنا اور ۳۰ جون ۲۰۲۱ء کو اختتام پذیر سال کے لئے ان کا مشاہیرہ طے کرنا۔ KPMG تاثیر، ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز آئندہ سال کے لئے KPMG تاثیر، ہادی اینڈ کو کی تقرری تجویز کرتے ہیں۔

۲۔ دیگر امور

چیزی کی اجازت سے سالانہ اجلاس عام میں قانونی طور پر زیر بحث لائے جان والے دیگر عمومی امور کو زیر غور لانا۔

بحکم بورڈ

ناظم خان

منیجر قانونی امور اور کمپنی سیکریٹری

کراچی: ۱۱، اگست ۲۰۲۰ء

نوٹس:

- پاکستان کبلر لمیٹڈ ("کمپنی") کی شیئر ٹرانسفر بکس ۲۲ ستمبر ۲۰۲۰ء سے ۲۹ ستمبر ۲۰۲۰ء تک (بشمول دونوں ایام بند رہیں گی)۔ اس دوران یہ کسی بھی قسم کی ٹرانسفر کو قبول نہیں کیا جائے گا۔ ۲۱ ستمبر ۲۰۲۰ء کو کاروباری اوقات کار بند ہونے تک کمپنی کی شیئر رجسٹر THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، واقع بجلی منزل، 40-C، بلاک 6، P.E.C.H.S، کراچی۔ 75400 کو موصول باقاعدہ ٹرانسفر منتقل الیہ کو حتمی منافع منقسمہ کی ادائیگی کی غرض سے بروقت تصوری جائیں گی۔
- بذریعہ ویڈیو لنک اجلاس میں شرکت کے لئے اراکین کو ۲۶ ستمبر ۲۰۲۰ء کو یا اس سے قبل ای میل ایڈریس faisal.baig@pakistancables.com پر مندرجہ ذیل معلومات فراہم کر کے اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

شیئر ہولڈر کا نام	CNIC نمبر	CDC اکاؤنٹ/فولیو نمبر	سیل نمبر	ای میل ایڈریس

جس ای میل ایڈریس سے کمپنی کو معلومات فراہم کی گئی ہیں اسی ای میل پر رجسٹر اراکین کو تصدیق کے بعد Zoom ویڈیو لنک فراہم کیا جائے گا۔ لاگ ان کی سہولت صبح ۹:۳۵ء سے اجلاس کے اختتام تک فراہم/مہیا کی جائے گی۔ حصص داران AGM کے ایجنڈا پر اپنی رائے/تجاویز کمپنی کے ای میل ایڈریس faisal.baig@pakistancables.com یا 0303-7484995 پر نوٹس ایپ کر سکتے ہیں۔

Proxy Form

I /We _____
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 67th Annual General Meeting of the Company to be held on September 29, 2020 at 10:00 a.m. and at any adjournment thereof.

As witnessed my hands this _____ day of _____ 2020

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. _____ No. of shares held _____

A member entitled to attend and vote at this 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 Computerized 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, Pakistan Cables Road, SITE,
Karachi-75700

پراکسی فارم

میں / ہم _____

ساکن _____

پاکستان کیبلز لمیٹڈ کے ممبر کی حیثیت سے

جناب _____

ساکن _____

(مکمل پتہ) _____

یا ان کی جگہ جناب _____

ساکن _____

(مکمل پتہ) _____

کا تقرر کرتا / کرتی ہوں کہ وہ 29 ستمبر 2020 کو یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے والے کمپنی کے 67 ویں سالانہ اجلاس عام میں میرے / ہمارے پراکسی کی حیثیت سے شرکت کریں گے اور ووٹ دیں گے۔

آج بتاریخ _____ 2020 پراکسی ہولڈر نے دستخط کیا۔

پانچ روپے کارسیدی ٹکٹ
چسپاں کر کے دستخط کریں

ممبر کا دستخط

درج ذیل گواہان کی موجودگی میں (گواہان کے دستخط / نام اور پتہ درج کریں)۔

(1)

(2)

شیئر ہولڈر کا فوئیو نمبر _____ تحویل میں شیئرز کی تعداد _____

اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنی جانب سے شرکت اور ووٹ دینے کے لیے کسی دوسرے فرد کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا لازمی ہے۔

حسب ضابطہ پراکسی فارم پر ممبر یا اس کے تحریری طور پر نامزد کردہ اثارنی کا دستخط ہونا چاہیئے۔ ممبر اگر کارپوریشن ہو تو پراکسی فارم پر اس کی باضابطہ مہر لگائیں۔

ایک پراکسی دستاویز اور پاور آف اثارنی جس کے تحت اس پراکسی پر دستخط کئے گئے ہوں یا اس پاور آف اثارنی کی نوٹری سے تصدیق شدہ نقل، اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کروائی جائے۔

CDC شیئر ہولڈرز یا ان کے پراسکیز اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ، ہمراہ شرکت کار کا آئی ڈی نمبر اور اکاؤنٹ نمبر اپنی شناخت کی تصدیق کے لیے لازمی ساتھ لائیں۔

درست ڈاک
ٹکٹ چسپاں
کریں

کمپنی سیکریٹری
پاکستان کیبلز لمیٹڈ
B-21، پاکستان کیبلز روڈ، سائینٹ،
کراچی-75700

Glossary

Acronym	Description
ATL	Active Tax Payers List
BVQI	Bureau Veritas Quality International
CDC	Central Depository Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNIC	Computerized National Identity Card
CPEC	China Pakistan Economic Corridor
CSR	Corporate Social Responsibility
ERDA	Electrical Research and Development Association
ERP	Enterprise Resource planning
FDI	Foreign Direct Investment
FPCCI	Federation of Pakistan Chamber of Commerce and Industry
GDP	Gross Domestic Product
HCOF	High Conductivity Oxygen Free
HRMS	Human Resource Management System
HSE	Health, Safety and Environment
IEC	International Electrotechnical Commission
ISO	International Standardization Organisation
KEMA	Keuring Van Electrotechnische Materialen (Dutch: Verification of Electrical Engineering Materials; Netherlands)
KPMG	Klynveld Peat Marwick Goerdeler (KPMG Taseer Hadi & Co)
LME	London Metal Exchange
LSZH	Low Smoke and Zero Halogen
LTD	Limited
NEQ	National Environment Quality Standards
NGO	Non-Governmental Organization
NTN	National Tax Number.
OHSAS	Occupational Health and Safety Assessment
PPEs	Personal Protective equipment
PSQCA	Pakistan Standards and Quality Control Authority
PSX	Pakistan Stock Exchange
S.R.O.	Statutory Regulatory Orders
SECP	Securities and Exchange Commission of Pakistan
SUD	Schedule of Unadjusted Differences
TUV	Traditional Unionist Voice



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