

YOUR TRUST, OUR POWER

QUARTERLY ACCOUNTS
FOR THE PERIOD ENDED
SEPTEMBER 30, 2020



TRUSTED NOT TO COMPROMISE

COMPANY INFORMATION

Board of Directors

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

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

Share Registrar

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

Registered Office

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

Website: www.pakistancables.com

DIRECTORS' REVIEW

Sales for the first quarter are Rs. 1.8 billion, which is 19% lower than the sales for the same period of last year. Gross profit was recorded at Rs. 128.2 million for the quarter compared to Rs. 239.3 million in the same period of last year. Lower gross profit, both in rupee terms and percentage wise, is due to lower sales.

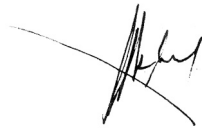
Selling, Marketing and Administrative expenses and impairment loss on trade debts are Rs. 134.2 million compared to Rs. 147.9 million in the same period of last year. Finance cost for the quarter are Rs. 46.3 million compared to Rs. 83.1 million in the same period of last year. Lower finance cost is mainly due to reduction in interest rates.

As a result of the above factors, the Company ended the first quarter with a loss after tax of Rs. 36.9 million compared to a profit after tax of Rs. 11.3 million in the same period of last year.

The Company is reasonably confident of a steady improvement in operating performance going forward as market demand starts to rebound on the back of the construction package and the impetus provided by other government initiatives. There are initial indications that these initiatives could result in improving demand for wire and cable.

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the Management and employees of the Company during the period. On behalf of the Board of Directors and employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, dealers, bankers, vendors and all other stakeholders for the trust and confidence reposed in the Company.

On behalf of the Board of Directors



MUSTAPHA A. CHINOY
Chairman

Karachi: October 23, 2020

ڈائریکٹرز کا جائزہ

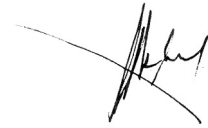
پہلی سہ ماہی کی سیلز 1.8 بلین روپے رہی جو گزشتہ برس کی فروخت کے مقابلہ میں 19 فی صد کم ہے۔ گزشتہ برس کی اسی مدت میں 239.3 ملین روپے مجموعی نفع کے مقابلہ میں اس سہ ماہی کے دوران 128.2 ملین روپے مجموعی منافع ریکارڈ ہوا۔ رقم اور اوسط کی صورت میں مجموعی منافع میں یہ کمی سیلز میں تفاوت سے منسوب کی جاتی ہے۔

سیلنگ، مارکیٹنگ اور انتظامی اخراجات اور تجارتی قرضوں پر امپینر منٹ خسارہ گزشتہ برس کی اسی مدت میں 147.9 ملین روپے مقابلہ میں 134.2 ملین روپے ریکارڈ ہوا۔ اس سہ ماہی میں قرضوں پر لاگت 46.3 ملین روپے رہی جب کہ گزشتہ برس کی اسی مدت میں یہی لاگت 83.1 ملین روپے تھی۔ شرح سود میں کمی کی وجہ سے قرضوں کی لاگت میں کمی واقع ہوئی۔ مذکورہ بالا عوامل کی وجہ سے کمپنی نے گزشتہ برس کی اسی مدت میں 11.3 ملین روپے نفع بعد از ٹیکس کے مقابلہ میں اس سہ ماہی کے دوران 36.9 ملین روپے خسارہ بعد از ٹیکس درج کیا۔

کمپنی آپریٹنگ کارکردگی میں ٹھوس پیش رفت کے لئے پر امید ہے کیونکہ تعمیریاتی پیکج اور حکومت کے دیگر اقدامات کی وجہ سے مارکیٹ کی طلب میں بہتری آنے کے واضح امکانات ہیں۔ ابتدائی طور پر واضح ہوتا ہے کہ ان اقدامات کی وجہ سے وائر اور کیبل کی طلب کی مد میں بہتر نتائج حاصل کئے جاسکتے ہیں۔

ڈائریکٹرز اس دورانیہ میں کمپنی کی انتظامیہ اور ملازمین کی ان تھک محنت اور جذبہ کو سراہتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کی جانب سے ہم اپنے تمام معزز صارفین، ڈسٹری بیوٹرز، ڈیلرز، بینکوں، ٹھیکے داروں اور تمام دیگر سٹیک ہولڈرز کے کمپنی پر بھروسہ اور اعتماد کے لئے تہہ دل سے شکر گزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز



مصطفیٰ اے چنائے

چیئرمین

کراچی: 23 اکتوبر، 2020ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	(Unaudited) 30 September 2020	(Audited) 30 June 2020
ASSETS			
Non-current assets			
(Rupees in '000)			
Property, plant and equipment	4	4,211,855	4,066,478
Right-of-use assets		72,438	79,146
Intangible assets		16,482	9,091
Investment in associated company		45,578	46,696
Long-term loans receivable		5,823	6,207
Long-term deposits		14,563	14,563
Total non-current assets		4,366,739	4,222,181
Current assets			
Stores and spares		53,857	54,915
Stock-in-trade	5	2,229,565	1,902,397
Trade debts	6	1,331,821	1,652,652
Short-term loans and advances	7	16,279	24,001
Short-term deposits and prepayments	8	32,811	28,715
Other receivables	9	159,632	59,476
Advance tax - net of provision		435,812	387,718
Cash and bank balances	10	91,231	85,140
Total current assets		4,351,008	4,195,014
Total assets		8,717,747	8,417,195
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
50,000,000 (30 June 2020: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up capital		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		1,609,608	1,612,934
<i>Revenue reserves</i>			
General reserve		1,268,000	1,268,000
Un-appropriated loss		(95,024)	(61,694)
Total shareholders' equity		4,733,502	4,770,158
Non-current liabilities			
Long-term borrowings	11	1,039,455	663,014
Lease liabilities		10,729	24,718
Deferred liability for staff gratuity		43,602	42,628
Other long-term employee benefits		5,457	5,457
Deferred tax liability - net		52,314	58,935
Total non-current liabilities		1,151,557	794,752
Current liabilities			
Current portion of long-term borrowings	11	277,957	218,170
Current portion of lease liabilities		69,578	55,157
Trade and other payables	12	870,409	1,077,799
Short-term loan from banking companies	13	1,142,943	1,234,430
Contract liabilities		411,920	195,494
Unclaimed dividend		25,581	25,630
Mark-up accrued on bank borrowings		34,300	45,605
Total current liabilities		2,832,688	2,852,285
Total liabilities		3,984,245	3,647,037
Contingencies and commitments			
Total equity and liabilities	14	8,717,747	8,417,195

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	July to September 2020	July to September 2019
(Rupees in '000)			
Net sales	15	1,808,955	2,221,635
Cost of sales		<u>(1,680,764)</u>	<u>(1,982,378)</u>
Gross profit		128,191	239,257
Marketing, selling and distribution costs	16	<u>(90,471)</u>	<u>(90,975)</u>
Administrative expenses	17	<u>(55,569)</u>	<u>(51,589)</u>
Impairment reversal / (loss) on trade debts		<u>11,800</u>	<u>(5,368)</u>
		(134,240)	(147,932)
Finance cost	18	<u>(46,309)</u>	<u>(83,106)</u>
Other expenses		<u>(44)</u>	<u>(1,243)</u>
		(46,353)	(84,349)
Other income		10,243	6,256
Share of (loss) / profit from associate under the equity basis of accounting		<u>(1,367)</u>	<u>2,114</u>
(Loss) / profit before income tax		(43,526)	15,346
Taxation		6,618	(4,060)
(Loss) / profit after tax		<u>(36,908)</u>	<u>11,286</u>
(Rupees)			
(Loss) / earnings per share - basic and diluted	19	<u>(1.04)</u>	<u>0.32</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	July to September 2020	July to September 2019
	(Rupees in '000)	
(Loss) / profit after tax for the period	(36,908)	11,286
Other comprehensive income:		
<i>Items that will not be reclassified to statement of profit or loss account</i>		
Share of other comprehensive income from the associated company	267	5
Total comprehensive (loss) / income	(36,641)	11,291

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Note	30 September 2020	30 September 2019
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	20	(34,008)	(29,913)
Gratuity paid		(521)	(2,576)
Finance costs paid		(51,825)	(55,240)
Income tax paid		(48,094)	(7,330)
Long-term loans receivable		384	(1,467)
Long-term deposits and prepayments		-	6,168
Net cash used in operating activities		(134,064)	(90,358)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure including intangible assets		(204,486)	(130,029)
Proceeds from disposal of fixed assets		3,589	-
Net cash used in investing activities		(200,897)	(130,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained		468,751	90,000
Repayment of long term loans		(33,750)	(33,750)
Lease rentals paid		(2,413)	(3,156)
Short-term loan from banking companies		(456,600)	137,914
Dividend paid		(49)	(259)
Net cash (used in) / generated from financing activities		(24,061)	190,749
Net decrease in cash and cash equivalents		(359,022)	(29,638)
Cash and cash equivalents at beginning of the year		(29,290)	(760,546)
Cash and cash equivalents at end of the period	21	(388,312)	(790,184)

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


 Chief Executive Officer

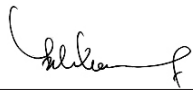

 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	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 2019	355,779	1,595,139	1,623,241	1,227,000	76,632	4,877,791
<i>Total comprehensive income for the period from July 2019 to September 2019</i>						
- Profit after tax	-	-	-	-	11,286	11,286
- Other comprehensive income	-	-	-	-	5	5
	-	-	-	-	11,291	11,291
Transfer to general reserve for the year ended 30 June 2019	-	-	-	41,000	(41,000)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	(3,311)	-	3,311	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2019 to 30 September 2019 - net of deferred tax (transfers)	-	-	2,956	-	-	2,956
<i>Transactions with owners of the Company - Distribution</i>						
Final cash dividend for the year ended 30 June 2019 @ Re. 1.00 per share	-	-	-	-	(35,578)	(35,578)
Balance as at 30 September 2019	355,779	1,595,139	1,622,886	1,268,000	14,656	4,856,460
Balance as at 01 July 2020	355,779	1,595,139	1,612,934	1,268,000	(61,694)	4,770,158
<i>Total comprehensive income / (loss) for the period from July 2020 to September 2020</i>						
- Loss after tax	-	-	-	-	(36,908)	(36,908)
- Other comprehensive income	-	-	-	-	267	267
	-	-	-	-	(36,641)	(36,641)
Transfer from surplus on revaluation of building - net of deferred tax	-	-	(3,311)	-	3,311	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2020 to 30 September 2020 - net of deferred tax (transfers)	-	-	(15)	-	-	(15)
Balance as at 30 September 2020	355,779	1,595,139	1,609,608	1,268,000	(95,024)	4,733,502

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairman



Chief Financial Officer

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

1 INTRODUCTION

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.

2 BASIS OF PRESENTATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards 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 IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange Limited. These condensed interim financial statements comprise of the statement of financial position as at 30 September 2020 and statement of profit or loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the three months period ended 30 September 2020.

2.3 The comparative statement of financial position presented in these condensed interim financial statements as at 30 June 2020 has been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas the comparative statement of profit or loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the three months period ended 30 September 2019 have been extracted from the unaudited condensed interim financial statements for the period then ended.

2.4 These condensed interim financial statement does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 30 June 2020.

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

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2020.

3.1 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2020.

4 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 30 September 2020	(Audited) 30 June 2020
	(Rupees in '000)	
Operating fixed assets	2,994,208	3,028,324
Capital work in progress	1,217,647	1,038,154
	<u>4,211,855</u>	<u>4,066,478</u>

The additions and disposals in property, plant and equipments during the quarter are as under:

		Three months period ended	
		30 September 2020	30 September 2019
		(Rupees in '000)	
Additions		204,486	130,029
Disposals (cost)		(11,634)	-
	Note	(Unaudited) 30 September 2020	(Audited) 30 June 2020
5 STOCK-IN-TRADE		(Rupees in '000)	
Raw materials [including Rs. 49.36 million in transit (30 June 2020 : Rs. 194.23 million)]	5.1	895,761	806,130
Work-in-process	5.2	853,326	404,966
Finished goods	5.2	426,186	653,522
Scrap		54,292	37,779
		2,229,565	1,902,397
5.1 Raw material includes slow moving items carried at Nil (30 June 2020: Nil) as against their cost of Rs. 9.01 million (30 June 2020: Rs. 8.06 million).			
5.2 Work-in-process and finished goods include slow moving items aggregating Rs. 63.45 million (30 June 2020: Rs. 78.87 million) and Rs. 39.83 million (30 June 2020: Rs. 38.51 million) respectively stated at their net realizable values against their cost of Rs. 89.52 million (30 June 2020: Rs. 115.87 million) and Rs. 60.47 million (30 June 2020: Rs. 59.37 million) respectively.			
6 TRADE DEBTS			
Unsecured and non-interest bearing			
Due from related parties		181,127	137,222
Others		1,216,958	1,593,494
		1,398,085	1,730,716
Provision for doubtful trade debts			
		(66,264)	(78,064)
		1,331,821	1,652,652
6.1 Provision for doubtful trade debts			
Balance as on 01 July		78,064	62,297
(Reversal) / charge during the period - net		(11,800)	16,904
Trade debts balances written off during the period		-	(1,137)
		66,264	78,064
7 SHORT-TERM LOANS AND ADVANCES			
Current portion of long term loans		3,611	3,582
Short-term advances to employees			
Advances to suppliers		1,714	1,805
		10,954	18,614
		12,668	20,419
		16,279	24,001
8 SHORT-TERM DEPOSITS AND PREPAYMENTS			
Deposits		21,062	23,112
Prepayments		11,749	5,603
		32,811	28,715
9 OTHER RECEIVABLES - considered good			
Sales tax refundable		127,775	32,683
Receivable from staff pension fund - related party		25,102	26,128
Insurance claim receivable		6,590	500
Others		165	165
		159,632	59,476

		(Unaudited) 30 September 2020	(Audited) 30 June 2020
10 CASH AND BANK BALANCES			
		(Rupees in '000)	
With banks - in current accounts		71,948	65,604
- profit and loss sharing account	10.1	18,981	19,209
Cash in hand		302	327
		<u>91,231</u>	<u>85,140</u>

10.1 The profit and loss sharing bank balance carry profit at the rate of 5.50% (30 June 2020: 6.50%) per annum.

11 LONG TERM BORROWINGS - secured

Loan from conventional financial institutions	1,298,102	870,284
Current portion shown under current liabilities	(268,616)	(214,933)
	<u>1,029,486</u>	<u>655,351</u>
Deferred income - government grant	19,310	10,900
Current portion of deferred income - government grant	(9,341)	(3,237)
	<u>9,969</u>	<u>7,663</u>
	<u>1,039,455</u>	<u>663,014</u>

11.1 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 against State Bank of Pakistan (SBP) Refinancing Schemes for its salary & wages and against Temporary Economic Refinance Facility (TERF).

A long term loan of Rs. 500 million has been obtained for capital expenditure which is secured against mortgage of 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 September 2020 (30 June 2020: 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 (30 June 2020: Facility available of Rs. 1,000 million of which amount unutilized as at 30 June 2020 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. 1,001 million). The total amount outstanding against these loans amounts to Rs. 511.90 million as on 30 September 2020 (30 June 2020: Rs. 270.63 million). Rate of markup on these loans at the period end ranged between 3 and 6 months KIBOR plus 0.05% to 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, Rs. 11.25 million and Rs. 17.80 million commencing from 09 August 2017, 24 November 2017, 22 February 2018, 21 August 2019, 05 February 2021 and 28 December 2021 respectively. The facility available under the above arrangement amounted to Rs. 1,050 million of which the amount remained unutilized as at that date was Rs. 300 million (30 June 2020: Facility available of Rs. 1,200 million of which amount unutilized as at 30 June 2020 was Rs. 675 million).

In addition to the above, the Company has also obtained long term loans of Rs. 223.30 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 (30 June 2020: Rs. 110.30 million). The rate of markup on these loans is 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. 22.67 million commencing from 15 January 2021 and 28 January 2021 respectively. The facility available under the above arrangement amounted to Rs. 290 million of which the amount remained unutilized as at 30 September 2020 was Rs. 67 million (30 June 2020: Facility available of Rs. 145 million of which amount unutilized as on 30 June 2020 was Rs. 35 million).

Government grant amounting to Rs. 8.41 million has been recorded on these loans being at subsidized rate. In accordance with the terms of the grant, the company is prohibited to lay-off the employees at least for three months from the period of the grant.

In addition to the above, the company has also obtained long term loan of Rs. 80.71 million against Temporary Economic Refinance Facility (TERF) under SBP refinance scheme. The rate of markup on this loan is 1.50% per annum. This loan is secured against hypothecation of specific plant & machinery amounting to Rs. 133 million. This loan is for a 10 years period and is repayable in thirty two equal quarterly installment of Rs. 2.52 million (30 June 2020: Nil).

	Note	(Unaudited) 30 September 2020	(Audited) 30 June 2020
12 TRADE AND OTHER PAYABLES			
		(Rupees in '000)	
Creditors		227,668	463,061
Accrued expenses		294,700	282,377
Salary and wages payable		10,030	7,049
Accrual for import levies		308,352	296,568
Payable to staff provident fund - related party		3,673	2,967
Workers' welfare fund		155	110
Security deposits from distributors and employees		15,891	16,364
Withholding income tax payable		9,042	8,157
Others		898	1,146
		<u>870,409</u>	<u>1,077,799</u>

13 SHORT TERM LOANS FROM BANKING COMPANIES

Secured

Running musharka under Shariah arrangements	13.1	76,952	1,106
Running finances under mark-up arrangements	13.2	<u>402,591</u>	<u>113,324</u>
Running finances from banks		<u>479,543</u>	<u>114,430</u>
Short term finances under mark-up arrangements	13.3	630,000	1,120,000
Export refinance under mark-up arrangements	13.4	<u>33,400</u>	-
		<u>1,142,943</u>	<u>1,234,430</u>

13.1 Running musharka under Shariah arrangements

Running Musharaka under Shariah arrangement carries mark-up at the rate of 1 month KIBOR plus 0.50% per annum (30 June 2020: 1 month KIBOR plus 0.50% per annum) and the available facility is Rs. 500 million (30 June 2020: Rs. 500 million). At 30 September 2020, the facility unutilised was Rs. 423 million.

13.2 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. 2,877 million (30 June 2020: Rs. 2,690 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 (30 June 2020: 1 to 3 months KIBOR plus spread ranging between 0.15% to 1.0% per annum). These facilities will expire between 30 September 2020 to 31 July 2021 and are renewable.

13.3 Short term finances under mark-up arrangement

Amount outstanding against the short term finance facilities as at 30 September 2020 was Rs. 630 million (30 June 2020: Rs. 1,120 million) against the available facilities of Rs. 3,372 million (30 June 2020: Rs. 3,295 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 September 2020, it was at 1 month KIBOR plus spread ranging between 0.15% to 0.30% per annum (30 June 2020: 1 month KIBOR plus spread ranging between 0.15% to 0.50% per annum).

13.4 Export Refinance under markup Arrangement

The amount outstanding against the export refinance facility as at 30 September 2020 available from banks was Rs. 33.4 million (30 June 2020: Nil). The rate of markup on export refinance facility is 3.0% per annum. (30 June 2020: Nil). Total facility available under this arrangements amounts to Rs. 200 million (30 June 2020: Rs. 200 million) which is a sub limit of above running finance limit.

13.5 Other facilities

The facility for opening letters of credit and guarantees as at 30 September 2020 amounted to Rs. 3,805 million including Rs. 1,005 million relating to the guarantees (30 June 2020: Rs. 3,805 million including Rs. 1,005 million relating to the guarantees) of which the amount remained unutilized as at that date was Rs. 2,922 million including Rs. 243 million relating to the guarantees (30 June 2020: Rs. 2,998 million including Rs. 405 million relating to the guarantees).

13.6 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. 6,485 million.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 14 million (30 June 2020: Rs. 35 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 762 million (30 June 2020: Rs. 600 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

14.2 Commitments

- a) Aggregate commitments for capital expenditure as at 30 September 2020 amounted to Rs. 367.80 million (30 June 2020: Rs. 383.24 million).
- b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 30 September 2020 amounted to Rs. 55.45 million (30 June 2020: Rs. 64.61 million). These are in respect of the letters of credit opened before the period end but no shipment by then had been made.

15 NET SALES

	Three months period ended	
	30 September 2020	30 September 2019
	(Rupees in '000)	
Gross local sales	2,064,246	2,601,835
Export sales	54,730	11,551
	2,118,976	2,613,386
Sales tax	(307,835)	(386,523)
Discount	(2,186)	(5,228)
	(310,021)	(391,751)
	1,808,955	2,221,635

15.1 Disaggregation of revenue

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

Primary geographical markets

Pakistan	1,754,225	2,210,084
Africa	54,730	11,551
	1,808,955	2,221,635

Major products lines

Wire and Cables	1,780,190	2,154,782
Aluminium profile business	28,765	66,853
	1,808,955	2,221,635

Sales channels

Goods sold:		
- directly to consumers	1,478,422	1,993,043
- through intermediaries	330,533	228,592
	1,808,955	2,221,635

	Note	Three months period ended	
		30 September 2020	30 September 2019
		(Rupees in '000)	
16	MARKETING, SELLING AND DISTRIBUTION COSTS		
		31,703	35,772
	16.1	869	821
		75	-
		768	570
		1,102	1,034
		4,192	5,872
		16,524	15,246
		23,843	21,676
		3,307	2,677
		4,830	3,790
		583	567
		561	475
		2,114	2,475
		90,471	90,975
16.1	This includes expense relating to short-term and low value leases amounting to Rs. 0.66 million (30 September 2019: Rs. 0.72 million).		
17	ADMINISTRATIVE EXPENSES		
		32,455	30,244
		137	603
		3,849	2,160
		4,561	3,920
		584	501
		2,195	3,400
		1,415	2,302
		3,316	2,803
		1,878	1,209
		642	269
		4,537	4,178
		55,569	51,589
18	FINANCE COSTS		
		16,234	49,252
		3,906	4,261
		329	-
		17,446	25,618
		2,845	2,730
		3,032	-
		75	75
		80	(129)
		2,362	1,299
		46,309	83,106
19	(LOSS) / EARNING PER SHARE - basic and diluted		
	(Loss) / profit after taxation	(36,908)	11,286
		(Number of shares)	
	Weighted average number of ordinary shares outstanding during the period	35,578	35,578
		(Rupees)	
	(Loss) / earning per share - basic and diluted	(1.04)	0.32

20	CASH USED IN OPERATIONS	Note	Three months period ended	
			30 September 2020	30 September 2019
			(Rupees in '000)	
	(Loss) / profit before taxation		(43,526)	15,346
	Adjustments for non cash charges and other items:			
	- Depreciation		50,107	50,600
	- Depreciation on right-of-use asset		6,708	4,999
	- Amortization of intangible assets		1,490	684
	- Amortization of government grant		(1,717)	-
	- Provision for staff gratuity		1,495	1,433
	- Gain on disposal of fixed assets		(3,468)	-
	- Share of loss / (profit) from associate		1,367	(2,114)
	- Finance costs		46,309	83,106
	- Working capital changes	20.1	(92,773)	(183,967)
			<u>(34,008)</u>	<u>(29,913)</u>

20.1 Working capital changes:

(Increase) / decrease in current assets		
- Stores and spares	1,058	208
- Stock-in-trade	(327,168)	(159,945)
- Trade debts	320,831	150,478
- Short-term loans and advances	7,722	(17,204)
- Short-term deposits and payments	(4,096)	(1,724)
- Other receivables - net	(100,156)	(46,926)
	<u>(101,809)</u>	<u>(75,113)</u>
Increase / (decrease) in current liabilities		
- Trade and other payables	(207,390)	(62,555)
- Contract liabilities	216,426	(46,299)
	<u>9,036</u>	<u>(108,854)</u>
	<u>(92,773)</u>	<u>(183,967)</u>

21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items:

Cash and bank balances	91,231	77,126
Running finance from banks	(479,543)	(867,310)
	<u>(388,312)</u>	<u>(790,184)</u>

22 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.

Transactions with related parties:

Name of the related party	Relationship / shareholding	Transactions during the quarter	Three months period ended	
			30 September 2020	30 September 2019
			(Rupees in '000)	
Intermark (Pvt) Limited	Associate	Sale of goods	183,675	64,554
International Industries Limited	Associate	Sale of goods	259	1,599
		Purchase of goods, services & materials	6,681	8,286
		Sharing of rental office expenses	152	159
		Dividend receivable	-	1,728
		Proportionate share of changes in equity	(1,118)	5,597
International Steels Limited	Associate	Sale of goods	150	16
		Purchase of goods, services & materials	8,527	3,317

Name of the related party	Relationship / shareholding	Transactions during the quarter	Three months period ended	
			30 September 2020	30 September 2019
			(Rupees in '000)	
Atlas Autos (Private) Limited	Common directorship	Sale of goods	-	36
Atlas Energy Limited	Common directorship	Sale of goods	1,761	2,469
Atlas Power Limited	Common directorship	Sale of goods	-	50
Atlas Honda Limited	Common directorship	Sale of goods	104	2,002
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium expense	-	1,825
		Insurance claim received	-	1,000
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	4,614	4,623
		Retirement benefit plans payable	3,673	2,685
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plans	1,026	1,405
		Retirement benefit plans receivable / (payable)	25,102	(3,249)
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Remuneration	31,365	29,757
		Directors' fees	900	825
		Directors' fee payable	600	600
Workers' Profit Participation Fund	Staff benefit plan	Net charge in respect of staff benefit plan	-	825
		Staff benefit plan (net) - receivable	-	29,302

22.1 Remuneration of key management personnel are in accordance with their terms of employment.

22.2 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.

22.3 Share of profit of the associated company and dividend from them are as per the profit and dividend declared by them.

22.4 Other transactions are at agreed terms.

23 OPERATING SEGMENTS

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

23.1 Revenue from cables & wires represents 98% (30 June 2020: 97%) of total revenue of the company.

23.2 Sales represent local sales of Rs. 1,754.23 million (30 September 2019: Rs. 2,210.08 million) and export sales of Rs. 54.73 million (30 September 2019: Rs. 11.55 million). The export represents sales to Africa amounting to Rs. 54.73 million (30 September 2019: sales to Africa amounting to Rs. 11.55 million).

23.3 All non-current assets of the Company at 30 September 2020 are located in Pakistan. The Company does not have any customer having sales of 15% or more during the period ended 30 September 2020 (30 June 2020: Nil).

24 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 23 October 2020 by the Board of Directors of the Company.


Chief Executive Officer


Chairman


Chief Financial Officer

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