

YOUR TRUST, OUR POWER

HALF YEARLY ACCOUNTS
FOR SIX MONTHS ENDED
DECEMBER 31, 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. Muhammad Rashid	
Mr. Kamal A. Chinoy	
Mr. Fahd Kamal Chinoy	Chief Executive Officer

Company Secretary

Ms. Natasha Mohammad

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 half year period ended December 31, 2020 stood at Rs. 5.2 billion which almost the same as compared to corresponding period of last year. Gross profit for the half year was recorded at Rs. 515.3 million whereas the profit after tax was at Rs. 81.0 million.

Selling, Marketing and Administrative expenses are Rs. 322.3 million compared to Rs. 342.3 million, as the Company retained a focus on expense control and was also able to reverse impaired trade debts. Finance cost for the half year is Rs. 99.8 million compared to Rs. 140.8 million in the same period of last year. Lower finance cost is mainly due to reduction in interest rates.

The turnaround in Company's operations and profitability, in the 2nd quarter, resulted in a sale of Rs. 3.4 billion and profit after tax of Rs. 117.9 million. As a result of the above, the Company ended the half year with a profit after tax of Rs. 81.0 million compared to a loss after tax of Rs. 36.9 million in 30th September 2020. The profit after tax for the same period of last year was Rs. 69.7 million.

The Board of Directors of the Company in their meeting held on 28 January 2021 have approved the consolidation of the Company's manufacturing facilities at the new premises located at Plot No. K-23, S.I.T.E., Nooriabad. Shifting of existing operations to the new location will enable the Company to reduce the overheads resulting from operating two factories, and will streamline the Company's finances and operations. The Directors have also approved a comprehensive financing plan of Rs. 6.55 billion for this purpose, which includes securing bank debts, and have also approved the sale of the existing premises located in S.I.T.E, Karachi.

Going forward, the Company is confident that market demand should remain strong in the short to medium term driven by ongoing construction activity due to various policy initiatives undertaken by the government including the Construction Package, the growing demand for renewable energy and market activity centered around investment in new plant and equipment through the SBPs Temporary Economic Refinance Facility. Having said that, rising input costs will remain a challenge with copper prices currently at a multi-year high and PVC prices also increasing substantially. Furthermore, any decision by the Government with respect to banning the use or increasing the cost of gas within industry for co-generation captive power plants is expected to be disruptive and will have an impact on output and efficiency, given the instability of supply from the grid.

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 quarter. 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 in the company.

On behalf of the Board of Directors



MUSTAPHA A. CHINOY
Chairman

Karachi: January 28, 2021

ڈائریکٹرز کا جائزہ

31 دسمبر، 2020ء کے سال مختصر کی ششماہی مدت کے لئے فروخت 5.2 ملین روپے رہی جو گذشتہ سال کے اسی عرصے کے مقابلے میں تقریباً یکساں، ایک جیسی ہے۔ ششماہی مدت کے لئے مجموعی منافع 515.3 ملین روپے ریکارڈ کیا گیا۔ جبکہ بعد از ٹیکس منافع 81.0 ملین روپے ریکارڈ کیا گیا۔

فروخت، مارکیٹنگ اور انتظامی اخراجات 342.3 ملین روپے کے مقابلے میں 322.3 ملین روپے رہے۔ چونکہ کمپنی نے اخراجات پر قابو پانے کے لئے اپنی توجہ مرکوز رکھی اور اس طرح خراب تجارت کے قرضوں کو بھی ختم کرنے میں کامیابی حاصل کی۔ ششماہی مدت کے لئے مالیاتی لاگت گزشتہ سال کے 140.8 ملین روپے کے مقابلے میں 99.8 ملین روپے رہی۔ شرح سود میں بنیادی طور پر کمی واقع ہونے کی وجہ سے مالی لاگت کم رہی۔

کمپنی کے امور، آپریشنز کے منافع میں تبدیلی کے باعث، دوسری سرمایہ میں فروخت 3.4 ملین روپے اور بعد از ٹیکس منافع 117.9 ملین روپے رہا۔ مذکورہ بالا اطمینان بخش صورتحال کے نتیجے میں، 30 ستمبر 2020ء تک بعد از ٹیکس نقصان 36.9 ملین روپے کے مقابلے میں کمپنی نے ششماہی مدت کے اختتام تک بعد از ٹیکس منافع 81.0 ملین روپے حاصل کیا۔ گزشتہ سال کی اسی مدت کے لئے منافع بعد از ٹیکس 69.7 ملین روپے تھا۔

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 جنوری 2021ء کو اپنے منعقدہ اجلاس میں پلاٹ نمبر K-23، سرائٹ، نوری آباد میں واقع نئے احاطے میں کمپنی کی میٹوینچرنگ سہولیات کو مضحکم و بیجا کرینیکل منظوری دی ہے۔ موجودہ آپریشنز کو نئے مقام پر منتقل کرنے سے کمپنی کی دو فیکٹریوں کو چلانے کے نتیجے میں اس پر اٹھنے والے اخراجات (اور ہیلز) کو کم کرنے میں مدد ملیگی، اور اس کے ساتھ ساتھ کمپنی کے مالی اور دیگر متعلقہ امور کو مضبوط و ہموار کرے گی۔ ڈائریکٹرز نے اس مقصد کے لئے 6.55 ملین روپے مالیت کے جامع فنانسنگ منصوبے کی بھی منظوری دے دی ہے۔ جس میں بینک کے قرضوں کو محفوظ کرنا شامل ہے اور اس کے علاوہ کراچی سائٹ میں واقع موجودہ جگہ فروخت کرنے کے بھی منظوری دے دی ہے۔

کمپنی پر امید ہے کہ حکومت کی جانب سے بشمول تیسرے عالمی بینک، جی ایل، قہریدہ توانائی اور نئے پلانٹ میں سرمایہ کاری سے متعلق سرگرمی کے دائرے میں بڑھتی ہوئی طلب کے باعث کی جانے والی متعدد حکومتی پالیسی اقدامات اور SBP کی فراہم کردہ TERF سہولت کی وجہ سے جاری تیسرے عالمی سرگرمی سے چلنے والی مختصر سے درمیانی مدت میں بھی مارکیٹ کی طلب مضبوط رہے گی۔ علاوہ ازیں، بڑھتے ہوئے ان پٹ اخراجات، تانبے کی موجودہ بلیئر سال (پٹی ایر) کی بلنڈر قسیموں کے ساتھ اور PVC کی قسیموں میں بھی کافی حد تک اضافے کے باعث قسیم پتے رہیں گے۔ مزید برآں، حکومت کی جانب سے صنعت میں کوجزیشن بجلی گھروں کیلئے گیس کے استعمال پر پابندی عائد کرنے یا اس کی لاگت میں اضافے کرنے کے سلسلے میں جو بھی فیصلہ کیا ہے اس سے رکاوٹ پیدا ہونے کی توقع ہے اور گروڈ سے رسد کی عدم استحکام کے پیش نظر بیرونی اداروں کا رکروڈی پرائز پڑے گا۔

سرمایہ کے دوران کمپنی کی انتظامیہ اور ملازمین کی محنت و لگن کو کمپنی ڈائریکٹران مخلصانہ طور پر سراہتے ہیں اور اس کو ریکارڈ پر لانا چاہتے ہیں۔ بورڈ آف ڈائریکٹران اور کمپنی کے ملازمین کی جانب سے، ہم اپنے تمام معزز صارفین، تقسیم کنندگان، ڈیلرز، بینکاروں، دکانداروں اور دیگر تمام وابستہ افراد (اسٹیک ہولڈرز) سے کمپنی پر اعتماد اور محرومہ کرنے پر پھر پورا اظہار تشکر کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



مصطفیٰ اے چناؤ

چیئر مین

کراچی: 28 جنوری، 2021ء

Independent Auditor's Review Report

To the members of Pakistan Cables Limited Report on review of Condensed Interim Financial Statements

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Cables Limited** as at 31 December 2020 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity, and notes to the financial information for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

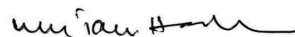
Other matter

The figures for the quarter ended 31 December 2020 and 31 December 2019 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

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

Date: 02 February 2021

Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	(Unaudited) 31 December 2020 (Rupees in '000)	(Audited) 30 June 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,304,116	4,066,478
Right-of-use assets		65,168	79,146
Intangible assets		14,825	9,091
Investment in associated company	5	47,237	46,696
Long-term loans receivable		6,184	6,207
Long-term deposits		7,581	14,563
Total non-current assets		4,445,111	4,222,181
Current assets			
Stores and spares		52,951	54,915
Stock-in-trade	6	1,969,193	1,902,397
Trade debts	7	2,006,670	1,652,652
Short-term loans and advances	8	36,558	24,001
Short-term deposits and prepayments	9	23,225	28,715
Other receivables	10	84,668	59,476
Advance tax - net of provision		457,450	387,718
Cash and bank balances	11	107,824	85,140
Total current assets		4,738,539	4,195,014
Total assets		9,183,650	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		1,606,187	1,612,934
<i>Revenue reserves</i>			
General reserve		1,268,000	1,268,000
Un-appropriated profit / (loss)		26,201	(61,694)
Total shareholders' equity		4,851,306	4,770,158
Non-current liabilities			
Long-term borrowings	12	903,943	663,014
Lease liabilities		12,105	24,718
Deferred liability for staff gratuity		44,917	42,628
Other long-term employee benefits		5,457	5,457
Deferred tax liability - net	13	54,589	58,935
Total non-current liabilities		1,021,011	794,752
Current liabilities			
Current portion of long-term borrowings	12	409,897	218,170
Current portion of lease liabilities		33,220	55,157
Trade and other payables	14	1,064,016	1,077,799
Short-term loan from banking companies	15	1,450,458	1,234,430
Contract liabilities		303,020	195,494
Unclaimed dividend		25,566	25,630
Mark-up accrued on bank borrowings		25,156	45,605
Total current liabilities		3,311,333	2,852,285
Total liabilities		4,332,344	3,647,037
Contingencies and commitments			
	16		
Total equity and liabilities		9,183,650	8,417,195

The annexed notes from 1 to 30 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
FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020 (Unaudited)

		Six months period ended		Three months period ended	
	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----					
Net sales	17	5,164,004	5,171,349	3,355,049	2,949,714
Cost of sales		(4,648,718)	(4,601,296)	(2,967,954)	(2,618,918)
Gross profit		515,286	570,053	387,095	330,796
Marketing, selling and distribution costs	18	(215,237)	(227,178)	(124,766)	(137,025)
Administrative expenses	19	(121,174)	(109,970)	(65,605)	(57,559)
Impairment reversal / (loss) on trade debts		14,081	(5,154)	2,281	214
		(322,330)	(342,302)	(188,090)	(194,370)
Finance cost	20	(99,817)	(140,825)	(53,508)	(57,719)
Other expenses	21	(10,139)	(7,269)	(10,095)	(6,026)
		(109,956)	(148,094)	(63,603)	(63,745)
Other income		36,481	15,641	26,238	9,385
Share of profit / (loss) from associate under equity basis of accounting		403	927	1,770	(1,187)
Profit before income tax		119,884	96,225	163,410	80,879
Taxation	22	(38,896)	(26,550)	(45,514)	(22,490)
Profit after tax for the period		80,988	69,675	117,896	58,389
----- (Rupees) -----					
Earnings per share - basic and diluted	23	2.28	1.96	3.32	1.64

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020 (Unaudited)

	Six months period ended		Three months period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Rupees in '000)			
Profit after tax for the period	80,988	69,675	117,896	58,389
Other comprehensive income / (loss):				
<i>Items that will not be reclassified to statement of profit or loss account</i>				
Share of other comprehensive income / (loss) from the associated company	285	4	18	(1)
Total comprehensive income - transferred to statement of changes in equity	<u>81,273</u>	<u>69,679</u>	<u>117,914</u>	<u>58,388</u>

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020 (Unaudited)

		Six months period ended	
Note		31 December 2020	31 December 2019
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	24	(29,120)	883,507
Gratuity paid		(701)	(2,664)
Finance costs paid		(107,186)	(129,330)
Income tax paid		(112,951)	(19,808)
Long-term loans receivable		23	(815)
Long-term deposits and prepayments		6,982	6,168
Net cash (used in) / generated from operating activities		(242,953)	737,058
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure including intangible assets		(347,260)	(205,981)
Proceeds from disposal of fixed assets		6,134	15
Dividend received from associate		-	1,728
Net cash used in investing activities		(341,126)	(204,238)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		477,699	90,000
Repayment of long term loans		(48,525)	(54,375)
Lease rentals paid		(38,375)	(4,965)
Short-term loan from banking companies		(425,000)	307,317
Dividend paid		(64)	(35,414)
Net cash (used in) / generated from financing activities		(34,265)	302,563
Net (decrease) / increase in cash and cash equivalents		(618,344)	835,383
Cash and cash equivalents at beginning of the period		(29,290)	(760,546)
Cash and cash equivalents at end of the period	25	(647,634)	74,837

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020 (Unaudited)

	Share Capital	Capital Reserves		Revenue Reserves		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
Total comprehensive income for the period from July 2019 to December 2019						
- Profit after tax	-	-	-	-	69,675	69,675
- Other comprehensive income	-	-	-	-	4	4
	-	-	-	-	69,679	69,679
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	-	-	(6,622)	-	6,622	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2019 to 31 December 2019 - net of deferred tax (transfers)	-	-	3,212	-	-	3,212
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 31 December 2019	<u>355,779</u>	<u>1,595,139</u>	<u>1,619,831</u>	<u>1,268,000</u>	<u>76,355</u>	<u>4,915,104</u>
Balance as at 01 July 2020	355,779	1,595,139	1,612,934	1,268,000	(61,694)	4,770,158
Total comprehensive income for the period from July 2020 to December 2020						
- Profit after tax	-	-	-	-	80,988	80,988
- Other comprehensive income	-	-	-	-	285	285
	-	-	-	-	81,273	81,273
Transfer from surplus on revaluation of building - net of deferred tax	-	-	(6,622)	-	6,622	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2020 to 31 December 2020 - net of deferred tax (transfers)	-	-	(125)	-	-	(125)
Balance as at 31 December 2020	<u>355,779</u>	<u>1,595,139</u>	<u>1,606,187</u>	<u>1,268,000</u>	<u>26,201</u>	<u>4,851,306</u>

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairman


Chief Financial Officer

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020 (Unaudited)

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 have been prepared under the historical cost convention except as disclosed elsewhere.
- 2.3 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under 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 31 December 2020 and statement of profit or loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the six months period ended 31 December 2020.

- 2.4 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 six months period ended 31 December 2019 have been extracted from the unaudited condensed interim financial statements for the period then ended.
- 2.5 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.
- 2.6 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. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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.

3.2 New standards, interpretations and amendments adopted by the company

A number of other pronouncements are effective from 1 July 2020 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended 30 June 2020, but they do not have a material effect on these condensed interim unconsolidated financial statements.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 January 2021. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 1, 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 January 1, 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 January 1, 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 January 1, 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 annual improvements are not likely to have an impact on these financial statements.

3.4 Accounting estimates, judgements and financial risk management

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended 30 June 2020.

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statement as at and for the year ended 30 June 2020.

4. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 31 December 2020 (Rupees in '000)	(Audited) 30 June 2020 (Rupees in '000)
Operating fixed assets	2,965,299	3,028,324
Capital work in progress	1,338,817	1,038,154
	<u>4,304,116</u>	<u>4,066,478</u>

The costs of additions and disposals in property, plant and equipments during the period are as under:

		Six months period ended	
		(Unaudited) 31 December 2020 (Rupees in '000)	(Unaudited) 31 December 2019 (Rupees in '000)
	Note		
Additions			
Land		-	4,603
Plant and machinery		5,855	8,580
Office equipment and appliances		8,800	5,827
Vehicles		9,094	11,402
Furnitures and fixtures		-	1,318
Leasehold improvements		-	6,631
Others		7,181	1,955
Capital work in progress	4.1	316,330	165,665
		<u>347,260</u>	<u>205,981</u>
Disposals - Net book value			
Vehicles [cost Rs. 2.76 million (31 December 2019: Rs. Nil)]		339	-
Plant and machinery and others [cost Rs. 11.75 million (31 December 2019: Rs. 0.09 million)]		130	-
Transfer from Capital work in progress		19,181	18,049

4.1 This represents the purchase of plant and machinery, building and others.

5. INVESTMENT IN AN ASSOCIATED COMPANY - equity accounted for

5.1 This represents investment of 633,600 (30 June 2020: 633,600) fully paid ordinary shares of Rs. 10 each in International Industries Limited (IIL). The market value of investment as of 31 December 2020 amounted to Rs. 111.89 million (30 June 2020: Rs. 58.12 million).

- 5.2 Above associate has been equity accounted for up to 30 September 2020 as the condensed interim financial statements of IIL for the six months' period ended 31 December 2020 are unavailable. Management does not expect the results of operations for the three months ended 31 December 2020 to be material.

6. STOCK-IN-TRADE

	Note	(Unaudited) 31 December 2020 (Rupees in '000)	(Audited) 30 June 2020
Raw materials [including Rs. 32.41 million in transit (30 June 2020: Rs. 194.23 million)]	6.1	708,604	806,130
Work-in-process	6.2	623,913	404,966
Finished goods	6.2	588,411	653,522
Scrap		48,265	37,779
		<u>1,969,193</u>	<u>1,902,397</u>

- 6.1 Raw material includes slow moving items carried at Nil (30 June 2020: Nil) as against their cost of Rs. 28.56 million (30 June 2020: Rs. 8.06 million).

- 6.2 Work-in-process and finished goods include slow moving items aggregating Rs. 45.67 million (30 June 2020: Rs. 78.87 million) and Rs. 29.82 million (30 June 2020: Rs. 38.51 million) respectively stated at their net realizable values against their cost of Rs. 57.08 million (30 June 2020: Rs. 115.87 million) and Rs.42.93 million (30 June 2020: Rs. 59.37 million) respectively.

7. TRADE DEBTS

Unsecured and non-interest bearing

Due from related parties		253,308	137,222
Others		<u>1,817,345</u>	<u>1,593,494</u>
		<u>2,070,653</u>	<u>1,730,716</u>
Provision for doubtful trade debts	7.1	<u>(63,983)</u>	<u>(78,064)</u>
		<u>2,006,670</u>	<u>1,652,652</u>

7.1 Provision for doubtful trade debts

Balance as on 01 July	78,064	62,297
(Reversal) / charge during the period - net	(14,081)	16,904
Trade debts balances written off during the period	-	(1,137)
	<u>63,983</u>	<u>78,064</u>

8. SHORT-TERM LOANS AND ADVANCES

Current portion of long term loans	3,799	3,582
Short-term advances to employees	525	1,805
Advances to suppliers	<u>32,234</u>	<u>18,614</u>
	<u>32,759</u>	<u>20,419</u>
	<u>36,558</u>	<u>24,001</u>

9. SHORT-TERM DEPOSITS AND PREPAYMENTS

Deposits	14,483	23,112
Prepayments	<u>8,742</u>	<u>5,603</u>
	<u>23,225</u>	<u>28,715</u>

	Note	(Unaudited) 31 December 2020	(Audited) 30 June 2020
10. OTHER RECEIVABLES - considered good		(Rupees in '000)	
Sales tax refundable		49,092	32,683
Receivable from staff pension fund - related party		24,077	26,128
Insurance claim receivable		6,684	500
Others		4,815	165
		<u>84,668</u>	<u>59,476</u>
11. CASH AND BANK BALANCES			
With banks - in current accounts		88,719	65,604
- profit and loss sharing account	11.1	18,831	19,209
Cash in hand		274	327
		<u>107,824</u>	<u>85,140</u>

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

12. LONG TERM BORROWINGS - secured

Loan from conventional financial institutions	1,273,647	870,284
Current portion shown under current liabilities	(397,877)	(214,933)
	<u>875,770</u>	<u>655,351</u>
Deferred income - government grant	40,193	10,900
Current portion of deferred income - government grant	(12,020)	(3,237)
	<u>28,173</u>	<u>7,663</u>
	<u>903,943</u>	<u>663,014</u>

12.1 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 and 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 31 December 2020 (30 June 2020: Rs. 500 million). Rate of markup on the above loan is at 7.60% per annum (30 June 2020: 7.83% 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 31 December 2020 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. 497.50 million as on 31 December 2020 (30 June 2020: Rs. 270.63 million). Rate of markup on these loans at the period end ranged between 7.27% per annum to 7.86% per annum (30 June 2020: 8.5% per annum to 14.15% 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. 17.18 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. 232.27 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. 23.79 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 31 December 2020 was Rs. 58 million (30 June 2020: Facility available of Rs. 145 million of which amount unutilized as on 30 June 2020 was Rs. 35 million).

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 the loan is at 1.50% per annum. This loan is secured against hypothecation of specific plant and machinery for 10 years period and are repayable in sixteen equal quarterly installment of Rs. 17.19 million (30 June 2020: Nil).

Government grant amounting to Rs. 34.13 million has been recorded on these loans obtained under both of the above SBP Refinance Scheme at subsidized rate.

	Note	(Unaudited) 31 December 2020	(Audited) 30 June 2020
(Rupees in '000)			
13. DEFERRED TAX LIABILITY - net			
Taxable temporary difference on:			
Accelerated tax depreciation		24,413	34,496
Surplus on revaluation of building on leasehold land		100,079	102,784
Share of surplus on revaluation of land and building of the associated company		1,586	1,608
Share of profit of an equity accounted associated company		6,501	6,440
		<u>132,579</u>	<u>145,328</u>
Deductible temporary differences on:			
Provision for staff retirement benefit		(13,035)	(12,371)
Lease assets net of leased liability		(2,657)	(8,106)
Impairment loss on doubtful trade debts		(18,555)	(22,638)
Provision for slow-moving stores and spares		(3,358)	(2,893)
Provision for import levies and other provisions		(40,385)	(40,385)
		<u>(77,990)</u>	<u>(86,393)</u>
Deferred tax liability - net		<u><u>54,589</u></u>	<u><u>58,935</u></u>
14. TRADE AND OTHER PAYABLES			
Creditors		346,821	463,061
Accrued expenses		352,418	282,377
Salary and wages payable		10,788	7,049
Accrual for import levies		320,498	296,568
Payable to staff provident fund - related party		2,939	2,967
Workers' profit participation fund		6,418	-
Workers' welfare fund		2,599	110
Security deposits from distributors and employees		15,479	16,364
Withholding income tax payable		5,187	8,157
Others		869	1,146
		<u><u>1,064,016</u></u>	<u><u>1,077,799</u></u>
15. SHORT TERM LOANS FROM BANKING COMPANIES			
Secured			
Running musharka under Shariah arrangements	15.1	159,376	1,106
Running finances under mark-up arrangements	15.2	596,082	113,324
Running finances from banks		<u>755,458</u>	<u>114,430</u>
Short term finances under mark-up arrangements	15.3	695,000	1,120,000
		<u><u>1,450,458</u></u>	<u><u>1,234,430</u></u>

15.1 Running musharka under Shariah arrangements

Running Musharaka under Shariah arrangement carries markup at the rate of 7.65% per annum (30 June 2020: 7.94% per annum) and the available facility is Rs. 500 million (30 June 2020: Rs. 500 million). At 31 December 2020, the facility unutilised was Rs. 341 million (30 June 2020: Rs 499 million)

15.2 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. 2,868 million (30 June 2020: Rs. 2,690 million). Rate of mark-up on these running finance facilities under mark-up arrangements ranges between 7.45% per annum to 8.29% per annum net of prompt payment rebate (30 June 2020: 7.41% per annum to 8.53% per annum). The facilities will expire between 31 December 2020 to 30 September 2021 and are renewable.

15.3 Short term finances under mark-up arrangement

Amount outstanding against the short term finance facilities as at 31 December 2020 was Rs. 695 million (30 June 2020: Rs. 1,120 million) against the available facilities of Rs. 3,363 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 31 December 2020, it was ranging between 7.56% per annum to 7.69% per annum (30 June 2020: 7.59% per annum to 8.80% per annum).

15.4 Export Refinance under markup arrangement

The 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 and carries markup at 3.0% per annum (30 June 2020: 3.0% per annum). At 31 December 2020, no amount was due under the above arrangements (30 June 2020: Nil).

15.5 Other facilities

The facility for opening letters of credit and guarantees as at 31 December 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. 2,787 million including Rs. 240 million relating to the guarantees (30 June 2020: Rs. 2,998 million including Rs. 405 million relating to the guarantees).

15.6 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 aggregating to Rs. 6,485 million.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- 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.
- Bank guarantees amounting to Rs. 765 million (30 June 2020: Rs. 600 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

16.2 Commitments

- Aggregate commitments for capital expenditure as at 31 December 2020 amounted to Rs. 525.24 million (30 June 2020: Rs. 383.24 million).
- Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 31 December 2020 amounted to Rs. 186.18 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.

17. NET SALES

	Six months period ended	
	(Unaudited) 31 December 2020	(Unaudited) 31 December 2019
	(Rupees in '000)	
Gross local sales	5,935,677	5,993,039
Export sales	114,465	73,554
	6,050,142	6,066,593
Sales tax	(883,952)	(890,016)
Discount	(2,186)	(5,228)
	(886,138)	(895,244)
	5,164,004	5,171,349

17.1 Disaggregation of revenue

As required for the condensed interim financial statements, the Company disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

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

	Six months period ended	
	(Unaudited)	(Unaudited)
Note	31 December	31 December
	2020	2019
	(Rupees in '000)	
Primary geographical markets		
Pakistan	5,049,538	5,097,795
Middle East	34,825	33,332
Africa	74,741	19,599
Asia	4,900	-
South America	-	20,623
	<u>5,164,004</u>	<u>5,171,349</u>
Major products lines		
Wire and cables	5,086,758	5,024,018
Aluminium profile business	77,246	147,331
	<u>5,164,004</u>	<u>5,171,349</u>
Sales channels		
Goods sold:		
- directly to consumers	4,196,362	4,482,178
- through intermediaries	967,642	689,171
	<u>5,164,004</u>	<u>5,171,349</u>

18. MARKETING, SELLING AND DISTRIBUTION COSTS

Salaries, wages and benefits		75,067	72,228
Rent, rates and taxes	18.1	1,598	1,384
Commission		75	1,950
Repairs and maintenance		1,385	1,439
Communication and stationary		1,725	2,082
Training, travelling and entertainment		8,825	12,959
Advertising and publicity		44,777	63,291
Carriage and forwarding expenses		58,848	50,973
Depreciation		6,823	5,635
Depreciation on right-of-use assets		9,285	7,681
Subscriptions		1,040	1,069
Insurance		1,042	1,071
Fuel and power		3,298	3,430
Other expenses		1,449	1,986
		<u>215,237</u>	<u>227,178</u>

18.1 This includes expense relating to short-term and low value leases amounting to Rs. 1.39 million (31 December 2019: Rs. 1.28 million).

	Six months period ended	
	(Unaudited)	(Unaudited)
	31 December	31 December
	2020	2019
	(Rupees in '000)	
19. ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits	76,999	66,957
Insurance	602	1,167
Repairs and maintenance	6,992	5,450
Legal and professional	8,391	6,031
Auditors' remuneration	1,317	1,310
Donations and CSR	480	2,042
Communication and stationary	3,917	5,287
Training, travelling and entertainment	2,175	3,687
Depreciation	6,645	6,359
Depreciation on right-of-use assets	3,756	2,418
Amortization	1,452	538
Fuel and power	4,036	3,241
Other expenses	4,412	5,483
	<u>121,174</u>	<u>109,970</u>
20. FINANCE COST		
Mark-up on finances under mark-up arrangements	37,814	74,614
Mark-up on finances under a shariah compliance arrangement	5,930	8,605
Mark-up on finances under export refinance	396	-
Mark-up on long-term loans under mark-up arrangements	36,676	53,883
Mark-up on lease liability	4,762	5,550
Mark-up on government grant	8,406	-
Mark-up on distributors deposit	150	150
Exchange loss / (gain)	1,085	(5,002)
Bank charges	4,598	3,025
	<u>99,817</u>	<u>140,825</u>
21. OTHER EXPENSES		
Workers' profits participation fund	6,418	5,168
Workers' welfare fund	2,492	1,961
Liquidated damages for late deliveries	1,229	140
	<u>10,139</u>	<u>7,269</u>
22. TAXATION		
Current - for the period	36,710	45,720
- prior years - net	6,510	(2,783)
Deferred - due to changes in temporary differences - net	(4,324)	(16,387)
	<u>38,896</u>	<u>26,550</u>
23. EARNING PER SHARE - basic and diluted		
Profit after tax for the period	<u>80,988</u>	<u>69,675</u>
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the period	<u>35,578</u>	<u>35,578</u>
	(Rupees)	
Earning per share - basic and diluted	<u>2.28</u>	<u>1.96</u>

		Six months period ended	
		(Unaudited)	(Unaudited)
	Note	31 December	31 December
		2020	2019
		(Rupees in '000)	
24.	CASH (USED IN) / GENERATED FROM OPERATIONS		
	Profit before taxation	119,884	96,225
	Adjustments for non cash charges and other items:		
	- Depreciation	100,272	101,654
	- Depreciation on right-of-use asset	13,041	10,099
	- Amortization of intangible assets	3,147	1,799
	- Amortization of government grant	(4,837)	-
	- Provision for staff gratuity	2,990	2,865
	- Other long-term employee benefits	-	2,106
	- Gain on disposal of fixed assets	(5,665)	(15)
	- Share of profit from associate	(403)	(927)
	- Finance cost	99,817	140,825
	- Working capital changes	(357,366)	528,876
		(29,120)	883,507

24.1 Working capital changes:

(Increase) / decrease in current assets

- Stores and spares	1,964	2,350
- Stock-in-trade	(66,796)	292,975
- Trade debts	(354,018)	(21,801)
- Short-term loans and advances	(12,557)	25,290
- Short-term deposits and payments	5,490	473
- Other receivables - net	(25,192)	30,091
	<u>(451,109)</u>	<u>329,378</u>

Increase / (decrease) in current liabilities

- Trade and other payables	(13,783)	101,934
- Contract liabilities	107,526	97,564
	<u>93,743</u>	<u>199,498</u>
	<u>(357,366)</u>	<u>528,876</u>

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items:

Cash and bank balances	107,824	209,286
Running finance from banks	(755,458)	(134,449)
	<u>(647,634)</u>	<u>74,837</u>

26. 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:

Transactions with related parties:			Six months period ended	
Name of the related party	Relationship / shareholding	Transactions during the period	(Unaudited)	(Unaudited)
			31 December 2020	31 December 2019
			(Rupees in '000)	
Intermark (Private) Limited	Associate	Sale of goods	517,468	321,911
International Industries Limited	Associate	Sale of goods	323	2,522
		Purchase of goods, services & materials	30,984	9,095
		Sharing of rental office expenses	301	305
		Dividend paid	-	6,092
		Dividend received	-	1,728
		Proportionate share of changes in equity	541	4,709
International Steels Limited	Associate	Sale of goods	158	24,833
		Purchase of goods, services & materials	9,335	3,317
Askari Bank Limited	Common directorship	Sale of goods	-	2,021
Atlas Autos (Private) Limited	Common directorship	Sale of goods	229	3,653
Atlas Energy Limited	Common directorship	Sale of goods	1,761	6,339
Atlas Power Limited	Common directorship	Sale of goods	-	50
Atlas Honda Limited	Common directorship	Sale of goods	104	2,495
		Purchase of goods, services & materials	78	-
Atlas Engineering Limited	Common directorship	Sale of goods	-	338
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium	823	1,825
		Insurance claim received	500	1,500

Name of the related party	Relationship / shareholding	Transactions during the period	Six months period ended	
			(Unaudited)	(Unaudited)
			31 December 2020	31 December 2019
			(Rupees in '000)	
ICI Pakistan Limited	Common directorship	Sale of goods	-	15
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	9,209	9,232
		Retirement benefit plans payable	2,939	3,200
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plans	2,052	2,809
		Retirement benefit plans receivable / (payable)	24,077	(4,653)
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Remuneration	62,261	64,207
		Directors' fees	1,575	1,425
		Dividend paid	-	11,873
Workers' Profit Participation Fund	Staff benefit plan	Net charge in respect of staff benefit plan	6,418	5,168
		Staff benefit plan (net) - payable	6,418	3,861

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

26.2 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.

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

27. FAIR VALUES

Management assessed that the fair values of cash and cash equivalent, short-term loan, advances and deposits, other receivable, trade debts, trade payables, short term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. For long term deposit assets and long term liabilities management consider that their carrying values approximates fair value.

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
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Revalued property, plant and equipment

- Land and building	30 June 2019	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.
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28. OPERATING SEGMENTS

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

28.1 Revenue from cables and wires represents 98.5% (30 June 2020: 97%) of total revenue of the company.

28.2 Sales represent local sales of Rs. 5,049.53 million (31 December 2019: Rs. 5,097.80 million) and export sales of Rs. 114.47 million (31 December 2019: Rs. 73.55 million). The export represents sales to Africa amounting to Rs. 74.74 million, sales to Middle East of Rs. 34.83 million and sales to Asia Rs. 4.90 million (31 December 2019: sales to South America, Middle East and Africa amounting to Rs. 20.62 million, Rs. 33.33 million and Rs. 19.60 million respectively).

28.3 All non-current assets of the Company at 31 December 2020 are located in Pakistan. The Company does not have any customer having sales of 15% or more during the period ended 31 December 2020 (30 June 2020: Nil).

29. INTERIM DIVIDEND

The Board of Directors in their meeting held on 28 January 2021 have for the half year ended 31 December 2020, declared interim cash dividend of Rs. Nil per share (31 December 2019: Rs. Nil per share) amounting to Rs. Nil million (31 December 2019: Rs. Nil). The financial statements for the half year ended 31 December 2020 do not include the effect of the declared interim cash dividend which will be recognised in the financial statements for the year ending 30 June 2021.

30. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28 January 2021 by the Board of Directors of the Company.


Chief Executive Officer


Chairman


Chief Financial Officer

Head Office

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