

# YOUR TRUST, OUR POWER

QUARTERLY ACCOUNTS  
FOR THE PERIOD ENDED  
MARCH 31, 2021



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. Ali 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](http://www.pakistancables.com)**

## DIRECTORS' REVIEW

Sales for the nine months period ended March 31, 2021 at Rs. 8.9 billion are 21% higher than sales for the same period of last year. Gross profit was recorded at Rs. 1,052.4 million for the nine months, as compared to Rs. 768.8 million for the same period last year. The higher gross profit is essentially due to better sales mix.

Selling, Marketing and Administrative expenses and impairment loss on account of doubtful debts are Rs. 552.2 million compared to Rs. 537.1 million for the same period of last year. The increase is mainly due to higher expenses on account of carriage & forwarding due to higher sales. Finance cost for the nine months' period are Rs. 154.0 million compared to Rs. 225.6 million in the same period of last year. Lower finance cost is mainly due to reduction in interest rates. Last year's finance cost included an exchange loss of Rs. 40 million incurred on borrowings in US dollars as a result of depreciation of rupee against the dollar.

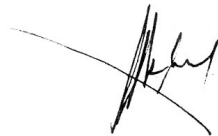
The improvement in operations and profitability, which started from 2nd quarter, continued in the 3rd quarter as well, during which the Company achieved a record sale of Rs. 3.8 billion and made an after tax profit of Rs. 230.1 million. As a result, the company ended with a profit after tax for the nine months' period of Rs. 311.1 million compared to profit after tax of Rs. 20.3 million in the same period of last year. Earning per share has increased to Rs. 8.75 compared to Rs. 0.57 for the same period of last year.

Copper prices rallied above USD 9,000 a ton during the quarter reaching a 10-year high, to a level not seen since 2011. Higher prices of copper could result in higher working capital requirement, which may result in increased finance cost going forward.

The Company is reasonably confident of a steady operating performance going forward as market demand continues to remain strong on the back of the construction package and the impetus provided by other government initiatives, such as TERF. Foreign exchange reserves have improved considerably mainly due to unprecedented inflows of remittances from overseas Pakistanis, launch of Roshan Digital Account, IMF tranche disbursement, that has helped to strengthen the rupee against the US Dollar. However, the rising inflation is a cause of concern and needs to be addressed. Moreover, with the third COVID wave proving to be particularly strong, any lockdowns and curtailment in market timings will have an impact on demand.

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the 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, shareholders, bankers and all other stakeholders for the trust and confidence reposed in the Company.

On behalf of the Board of Directors



MUSTAPHA A. CHINOY  
Chairman

Karachi: April 23, 2021

## ڈائریکٹرز کی جائزہ رپورٹ

31 مارچ 2021 کو ختم شدہ نو ماہ کی مدت کے لئے فروخت کا حجم 8.9 ملین روپے تھا جو کہ گزشتہ سال کی اسی مدت کے لئے 21 فیصد زائد ہے۔ گزشتہ سال کی اسی مدت میں 768.8 ملین روپے کے مقابلہ میں 1,052.4 ملین روپے مجموعی منافع ریکارڈ ہوا۔ بنیادی طور پر بہتر مجموعی منافع بہتر فروخت کس کی وجہ سے ہوا۔

فروخت، تیسری اور انتظامی اخراجات اور مشتبہ تجارتی قرضوں پر اچھیر منف خسارہ گزشتہ سال کی اسی مدت میں 537.1 ملین روپے کے مقابلہ میں 552.2 ملین روپے ہے۔ اس میں اضافہ بنیادی طور پر زیادہ فروخت اور گاڑیوں کی حمل و نقل پر اٹھنے والے زیادہ اخراجات کے باعث ہوا۔ نو ماہ کی مدت کے لئے فنانس لاگت جو گزشتہ سال کی اسی مدت میں 225.6 ملین روپے کے مقابلہ میں 154.0 ملین روپے تھے۔ کم فنانس لاگت بنیادی طور پر شرح سود میں کمی کی وجہ سے ہے۔ پچھلے سال کی فنانس لاگت میں روپے کے زرمبادلہ کا نقصان شامل تھا۔ ڈالر کے مقابلے میں روپے کی قدر میں کمی کے نتیجے میں 40 ملین امریکی ڈالر قرض لینے پر خرچ ہوئے۔

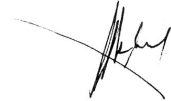
آپریشنز اور منافع میں بہتری، جو کہ دوسری سہ ماہی سے شروع ہوئی، تیسری سہ ماہی میں بھی جاری رہی اور جسکے دوران کمپنی نے ریکارڈ فروخت کی اور 3.8 ملین روپے اور بعد از ٹیکس منافع 230.1 ملین روپے حاصل کیا گیا۔ نتیجے کے طور پر کمپنی کا نو ماہ کی مدت کے لئے بعد از ٹیکس منافع 311.1 ملین روپے تھا جو کہ گزشتہ سال کے اسی مدت کیلئے بعد از ٹیکس منافع 20.3 ملین روپے رہا۔ فی شیئر آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 0.57 روپے سے بڑھ کر 8.75 روپے ہو گئی۔

تاج کی قیمتوں میں اس سہ ماہی کے دوران 9,000 امریکی ڈالر پرنٹن سے زائد اضافہ ہوا جو 10 سال کی بلند ترین سطح تک پہنچ گیا ہے جو 2011 سے اب تک نہیں دیکھا گیا ہے۔ تاج کی بڑھی ہوئی قیمتوں کے نتیجے میں بھی زیادہ کارآمد سرمائے کی ضرورت ہو سکتی ہے، جس کے نتیجے میں مالیات کی لاگت میں مزید اضافہ ہو سکتا ہے۔

کمپنی معقول حد تک مستحکم آپریٹنگ کارکردگی میں مزید بہتری لانے کے لئے پرامید ہے کیونکہ تعمیراتی چیکینج اور TERF جیسے دیگر مثبت حکومتی اقدامات کے باعث مارکیٹ کی طلب مستحکم ہے۔ غیر ملکی زرمبادلہ کے ذخائر میں نمایاں بہتری آئی ہے جس کی بنیادی وجہ بیرون ملک مقیم پاکستانیوں کی جانب سے غیر معمولی ترسیلات زر میں اضافہ، روشن ڈیجیٹل اکاؤنٹ کا اجرا، آئی ایم ایف کی مالی قسط، جس نے امریکی ڈالر کے مقابلے میں روپے کو مستحکم کرنے میں مدد فراہم کی ہے۔ جبکہ بڑھتا ہوا افراط زر تشویش کا باعث ہے اور اسپر قابو پانے کی ضرورت ہے۔ مزید برآں، تیسری جاری COVID لہر جو خاص طور پر خطرناک ثابت ہونے کے ساتھ ساتھ، ممکنہ طور پر مارکیٹ کے اوقات کار میں کمی اور کسی بھی قسم کے لاک ڈاؤن کی صورت میں طلب پر اثر انداز ہوگی۔

ڈائریکٹرز اس مدت کے دوران کمپنی کے ملازمین کی جانب سے انتھک محنت اور جذبہ لگن سے کام کرنے کو قدر کی نگاہ سے دیکھتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کی جانب سے، ہم اپنے تمام معزز صارفین، تقسیم کاروں، ڈیلرز، حصص یافتگان، بینکرز اور دیگر تمام اسٹیک ہولڈرز کے کمپنی پر بھروسہ اور اعتماد پر خوشی کا اظہار کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



مصطفیٰ اے چنائے

چیئرمین

کراچی: اپریل 23، 2021ء

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### As At 31 March 2021

	Note	(Unaudited) 31 March 2021	(Audited) 30 June 2020
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,539,085	4,066,478
Right-of-use assets		58,741	79,146
Intangible assets		13,185	9,091
Investment in associated company	5	55,890	46,696
Long-term loans receivable		7,919	6,207
Long-term deposits		5,985	14,563
Total non-current assets		4,680,805	4,222,181
<b>Current assets</b>			
Stores and spares		58,964	54,915
Stock-in-trade	6	2,049,032	1,902,397
Trade debts	7	2,613,962	1,652,652
Short-term loans and advances	8	94,851	24,001
Short-term deposits and prepayments	9	28,881	28,715
Other receivables	10	40,100	59,476
Advance tax - net of provision		394,554	387,718
Cash and bank balances	11	85,227	85,140
Total current assets		5,365,571	4,195,014
<b>Total assets</b>		<b>10,046,376</b>	<b>8,417,195</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital		500,000	500,000
50,000,000 (30 June 2020: 50,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital		355,779	355,779
<b>Capital reserves</b>			
Share premium reserve		1,595,139	1,595,139
Revaluation surplus on property (land and building) - net of tax		1,602,811	1,612,934
<b>Revenue reserves</b>			
General reserve		1,268,000	1,268,000
Un-appropriated profit / (loss)		259,629	(61,694)
<b>Total shareholders' equity</b>		<b>5,081,358</b>	<b>4,770,158</b>
<b>Non-current liabilities</b>			
Long-term borrowings	12	856,743	663,014
Lease liabilities		12,268	24,718
Deferred liability for staff gratuity		45,084	42,628
Other long-term employee benefits		5,457	5,457
Deferred tax liability - net	13	42,280	58,935
Total non-current liabilities		961,832	794,752
<b>Current liabilities</b>			
Current portion of long-term borrowings	12	413,923	218,170
Current portion of lease liabilities		10,625	55,157
Trade and other payables	14	1,368,592	1,077,799
Short-term loan from banking companies	15	1,331,580	1,234,430
Contract liabilities		817,216	195,494
Unclaimed dividend		25,566	25,630
Mark-up accrued on bank borrowings		35,684	45,605
Total current liabilities		4,003,186	2,852,285
<b>Total liabilities</b>		<b>4,965,018</b>	<b>3,647,037</b>
<b>Contingencies and commitments</b>			
	16		
<b>Total equity and liabilities</b>		<b>10,046,376</b>	<b>8,417,195</b>

The annexed notes from 1 to 29 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 NINE AND THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)**

		Nine months period ended		Three months period ended	
	Note	31 March 2021	31 March 2020	31 March 2021	31 March 2020
----- (Rupees in '000) -----					
Net sales	17	8,932,306	7,386,132	3,768,302	2,214,783
Cost of sales		(7,879,916)	(6,617,374)	(3,231,198)	(2,016,078)
<b>Gross profit</b>		<b>1,052,390</b>	<b>768,758</b>	<b>537,104</b>	<b>198,705</b>
Marketing, selling and distribution costs	18	(370,114)	(352,019)	(154,877)	(124,841)
Administrative expenses	19	(190,767)	(172,514)	(69,593)	(62,544)
Impairment reversal / (loss) on trade debts		8,683	(12,589)	(5,398)	(7,435)
		(552,198)	(537,122)	(229,868)	(194,820)
Finance cost	20	(153,950)	(225,610)	(54,133)	(84,785)
Other expenses	21	(38,595)	(2,385)	(28,456)	4,884
		(192,545)	(227,995)	(82,589)	(79,901)
Other income		138,552	22,547	102,071	6,906
Share of profit from associate under equity basis of accounting		11,378	1,525	10,975	598
<b>Profit / (loss) before income tax</b>		<b>457,577</b>	<b>27,713</b>	<b>337,693</b>	<b>(68,512)</b>
Taxation	22	(146,444)	(7,408)	(107,548)	19,142
<b>Profit / (loss) after tax for the period</b>		<b>311,133</b>	<b>20,305</b>	<b>230,145</b>	<b>(49,370)</b>
----- (Rupees) -----					
<b>Earnings / (loss) per share - basic and diluted</b>	23	<b>8.75</b>	<b>0.57</b>	<b>6.47</b>	<b>(1.39)</b>

The annexed notes from 1 to 29 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 NINE AND THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)**

	<b>Nine months period ended</b>		<b>Three months period ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>(Rupees in '000)</b>			
Profit / (loss) after tax for the period	<b>311,133</b>	20,305	<b>230,145</b>	(49,370)
<b>Other comprehensive income / (loss):</b>				
<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	<b>257</b>	9	<b>(28)</b>	5
<b>Total comprehensive income- transferred to statement of changes in equity</b>	<b><u>311,390</u></b>	<u>20,314</u>	<b><u>230,117</u></b>	<u>(49,365)</u>

The annexed notes from 1 to 29 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 NINE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)**

		Nine months period ended	
	Note	31 March 2021	31 March 2020
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	24	505,370	1,174,774
Gratuity paid		(2,029)	(4,796)
Finance costs paid		(144,061)	(210,768)
Income tax paid		(169,905)	(52,853)
Long-term loans receivable		(1,712)	(39)
Long-term deposits and prepayments		8,578	6,168
Net cash generated from operating activities		196,241	912,486
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure including intangible assets		(632,041)	(744,027)
Proceeds from disposal of fixed assets		14,889	200
Dividend received from associate		2,218	1,728
Net cash used in investing activities		(614,934)	(742,099)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loan obtained		477,699	90,000
Repayment of long term loans		(94,108)	(88,125)
Lease rentals paid		(61,897)	(8,194)
Short-term loan from banking companies		(365,000)	(444,710)
Dividend paid		(64)	(36,039)
Net cash used in financing activities		(43,370)	(487,068)
Net decrease in cash and cash equivalents		(462,063)	(316,681)
Cash and cash equivalents at beginning of the period		(29,290)	(760,546)
<b>Cash and cash equivalents at end of the period</b>	25	<b>(491,353)</b>	<b>(1,077,227)</b>

The annexed notes from 1 to 29 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 NINE MONTHS PERIOD ENDED 31 MARCH 2021 (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)					
<b>Balance as at 01 July 2019</b>	355,779	1,595,139	1,623,241	1,227,000	76,632	4,877,791
<b>Total comprehensive income for the period from July 2019 to March 2020</b>						
- Profit after tax	-	-	-	-	20,305	20,305
- Other comprehensive income	-	-	-	-	9	9
	-	-	-	-	20,314	20,314
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	-	-	(9,933)	-	9,933	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2019 to 31 March 2020 - net of deferred tax (transfers)	-	-	3,080	-	-	3,080
<b>Transactions with owners of the Company - Distribution</b>						
Final cash dividend for the year ended 30 June 2019 @ Re. 1.00 per share	-	-	-	-	(35,578)	(35,578)
<b>Balance as at 31 March 2020</b>	<u>355,779</u>	<u>1,595,139</u>	<u>1,616,388</u>	<u>1,268,000</u>	<u>30,301</u>	<u>4,865,607</u>
<b>Balance as at 01 July 2020</b>	355,779	1,595,139	1,612,934	1,268,000	(61,694)	4,770,158
<b>Total comprehensive income for the period from July 2020 to March 2021</b>						
- Profit after tax	-	-	-	-	311,133	311,133
- Other comprehensive income	-	-	-	-	257	257
	-	-	-	-	311,390	311,390
Transfer from surplus on revaluation of building - net of deferred tax	-	-	(9,933)	-	9,933	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2020 to 31 March 2021 - net of deferred tax (transfers)	-	-	(190)	-	-	(190)
<b>Balance as at 31 March 2021</b>	<u>355,779</u>	<u>1,595,139</u>	<u>1,602,811</u>	<u>1,268,000</u>	<u>259,629</u>	<u>5,081,358</u>

The annexed notes from 1 to 29 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 NINE MONTHS PERIOD ENDED 31 MARCH 2021 (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 March 2021 and statement of profit or loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the nine months period ended 31 March 2021.

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 nine months period ended 31 March 2020 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 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 March 2021 (Rupees in '000)	(Audited) 30 June 2020
Operating fixed assets	2,923,574	3,028,324
Capital work in progress	1,615,511	1,038,154
	<u>4,539,085</u>	<u>4,066,478</u>

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

	Nine months period ended	
	(Unaudited) 31 March 2021 (Rupees in '000)	(Unaudited) 31 March 2020
<b>Additions</b>		
Land	-	4,603
Plant and machinery	8,173	10,479
Office equipment and appliances	13,466	7,421
Vehicles	9,093	19,449
Furnitures and fixtures	1,101	2,514
Leasehold improvements	-	6,631
Others	7,181	1,956
Capital work in progress	4.1 593,027	690,974
	<u>632,041</u>	<u>744,027</u>
<b>Disposals - Net book value</b>		
Vehicles [cost Rs. 2.76 million (31 March 2020: Rs. Nil)]	<u>339</u>	<u>-</u>
Plant and machinery and others [cost Rs. 21.44 million (31 March 2020: Rs. 3.98 million)]	<u>3,096</u>	<u>-</u>
Transfer from Capital work in progress	<u>19,259</u>	<u>28,447</u>

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 March 2021 amounted to Rs. 128.73 million (30 June 2020: Rs. 58.12 million).

- 5.2 Above associate has been equity accounted for up to 31 December 2020 as the condensed interim financial statements of IIL for the nine months' period ended 31 March 2021 are unavailable. Management does not expect the results of operations for the three months ended 31 March 2021 to be material.

6. STOCK-IN-TRADE		(Unaudited) 31 March 2021	(Audited) 30 June 2020
		(Rupees in '000)	
Raw materials [including Rs. 162.61 million in transit (30 June 2020: Rs. 194.23 million)]	6.1	855,124	806,130
Work-in-process	6.2	375,805	404,966
Finished goods	6.2	745,852	653,522
Scrap		72,251	37,779
		<u>2,049,032</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. 28.58 million (30 June 2020: Rs. 8.06 million).

- 6.2 Work-in-process and finished goods include slow moving items aggregating Rs. 11.56 million (30 June 2020: Rs. 78.87 million) and Rs. 20.21 million (30 June 2020: Rs. 38.51 million) respectively stated at their net realizable values against their cost of Rs. 11.72 million (30 June 2020: Rs. 115.87 million) and Rs. 29.11 million (30 June 2020: Rs. 59.37 million) respectively.

## 7. TRADE DEBTS

### Unsecured and non-interest bearing

Due from related parties		292,059	137,222
Others		<u>2,391,284</u>	<u>1,593,494</u>
		<u>2,683,343</u>	<u>1,730,716</u>
Provision for doubtful trade debts	7.1	<u>(69,381)</u>	<u>(78,064)</u>
		<u>2,613,962</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		(8,683)	16,904
Trade debts balances written off during the period		-	(1,137)
		<u>69,381</u>	<u>78,064</u>

## 8. SHORT-TERM LOANS AND ADVANCES

Current portion of long term loans		4,542	3,582
Short-term advances to employees		744	1,805
Advances to suppliers		<u>89,565</u>	<u>18,614</u>
		<u>90,309</u>	<u>20,419</u>
		<u>94,851</u>	<u>24,001</u>

## 9. SHORT-TERM DEPOSITS AND PREPAYMENTS

Deposits		22,252	23,112
Prepayments		<u>6,629</u>	<u>5,603</u>
		<u>28,881</u>	<u>28,715</u>

	(Unaudited) 31 March 2021	(Audited) 30 June 2020
<b>10. OTHER RECEIVABLES - considered good</b>	<b>(Rupees in '000)</b>	
Sales tax refundable	16,885	32,683
Receivable from staff pension fund - related party	23,050	26,128
Others	165	665
	<u>40,100</u>	<u>59,476</u>

**11. CASH AND BANK BALANCES**

With banks - in current accounts	66,370	65,604
- profit and loss sharing account	11.1 18,525	19,209
Cash in hand	332	327
	<u>85,227</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	1,230,984	870,284
Current portion shown under current liabilities	(401,525)	(214,933)
	<u>829,459</u>	<u>655,351</u>
Deferred income - government grant	39,682	10,900
Current portion of deferred income - government grant	(12,398)	(3,237)
	<u>27,284</u>	<u>7,663</u>
	<u>856,743</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 March 2021 (30 June 2020: Rs. 500 million). Rate of markup on the above loan is at 7.60% per annum (30 June 2020: 8.38% 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 March 2021 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. 452.50 million as on 31 March 2021 (30 June 2020: Rs. 270.63 million). Rate of markup on these loans at the period end ranged between 7.63% per annum to 8.16% 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. 14.38 million, Rs. 4.38 million, Rs. 20.00 million, Rs. 11.25 million and Rs. 17.18 million commencing from 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. 900 million of which the amount remained unutilized as at that date was Rs. 225 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. 29.04 million commencing from 01 April 2021. The facility available under the above arrangement amounted to Rs. 290 million of which the amount remained unutilized as at 31 March 2021 was Rs. 57.73 million (30 June 2020: Facility available of Rs. 145 million of which amount unutilized as on 30 June 2020 was Rs. 34.70 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 thirty-two equal quarterly installment of Rs. 2.52 million (30 June 2020: Nil).

Government grant amounting to Rs. 35.46 million has been recorded on these loans obtained under both of the above SBP Refinance Schemes at subsidized rate.

	(Unaudited) 31 March 2021	(Audited) 30 June 2020	
	(Rupees in '000)		
13. DEFERRED TAX LIABILITY - net			
Taxable temporary difference on:			
Accelerated tax depreciation	20,353	34,496	
Surplus on revaluation of building on leasehold land	98,727	102,784	
Share of surplus on revaluation of land and building of the associated company	1,575	1,608	
Lease liability net of leased assets	2,774	-	
Share of profit of an equity accounted associated company	7,814	6,440	
	131,243	145,328	
Deductible temporary differences on:			
Provision for staff retirement benefit	(13,084)	(12,371)	
Lease assets net of leased liability	-	(8,106)	
Impairment loss on doubtful trade debts	(20,120)	(22,638)	
Provision for slow-moving stores and spares	(3,652)	(2,893)	
Provision for import levies and other provisions	(52,107)	(40,385)	
	(88,963)	(86,393)	
Deferred tax liability - net	42,280	58,935	
14. TRADE AND OTHER PAYABLES			
Creditors	475,381	463,061	
Accrued expenses	470,393	282,377	
Salary and wages payable	14,255	7,049	
Accrual for import levies	333,791	296,568	
Payable to staff provident fund - related party	3,605	2,967	
Workers' profit participation fund	24,571	-	
Workers' welfare fund	9,279	110	
Security deposits from distributors and employees	14,930	16,364	
Withholding income tax payable	5,780	8,157	
Others	16,607	1,146	
	1,368,592	1,077,799	
15. SHORT TERM LOANS FROM BANKING COMPANIES			
Secured			
Running musharka under Shariah arrangements	15.1	118,856	1,106
Running finances under mark-up arrangements	15.2	457,724	113,324
Running finances from banks		576,580	114,430
Short term finances under mark-up arrangements	15.3	755,000	1,120,000
		1,331,580	1,234,430

#### 15.1 Running musharka under Shariah arrangements

Running Musharaka under Shariah arrangement carries markup at the rate of 7.71% 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 March 2021, the facility unutilised was Rs. 381 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. 3,068 million (30 June 2020: Rs. 2,690 million). Rate of mark-up on these running finance facilities under mark-up arrangements ranges between 7.73% per annum to 8.58% 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 March 2021 to 31 January 2022 and are renewable.

## **15.3 Short term finances under mark-up arrangement**

Amount outstanding against the short term finance facilities as at 31 March 2021 was Rs. 755 million (30 June 2020: Rs. 1,120 million) against the available facilities of Rs. 3,563 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 March 2021, it was ranging between 7.50% per annum to 7.75% per annum (30 June 2020: 7.59% per annum to 8.80% per annum).

## **15.4 Letter of credit under Temporary Economic Refinance facility (TERF)**

The total facility for opening letter of credit under the Temporary Economic Refinance Facility (TERF) as at 31 March 2021 obtained from various banks amounted to Rs. 1,550 million (30 June 2020: Nil) of which the amount remaining unutilized as at that date was Rs. 313 million.

## **15.5 Other facilities**

The facility for opening letters of credit and guarantees as at 31 March 2021 amounted to Rs. 4,305 million including Rs. 1,630 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. 3,213 million including Rs. 328 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 and a ranking charge of Rs. 500 million for facilities availed from Soneri Bank which will be upgraded to first Joint Pari Passu charge.

# **16. CONTINGENCIES AND COMMITMENTS**

## **16.1 Contingencies**

- a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 5.83 million (30 June 2020: Rs. 35 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 1,302 million (30 June 2020: Rs. 600 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

## **16.2 Commitments**

- a) Aggregate commitments for capital expenditure as at 31 March 2021 amounted to Rs. 1,781.91 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 31 March 2021 amounted to Rs. 158.34 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

	Nine months period ended	
	(Unaudited)	(Unaudited)
	31 March	31 March
	2021	2020
	(Rupees in '000)	
Gross local sales	10,338,053	8,569,872
Export sales	131,299	94,181
	<u>10,469,352</u>	<u>8,664,053</u>
Sales tax	(1,534,860)	(1,272,693)
Discount	(2,186)	(5,228)
	<u>(1,537,046)</u>	<u>(1,277,921)</u>
	<u><u>8,932,306</u></u>	<u><u>7,386,132</u></u>

### 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:

#### Primary geographical markets

Pakistan	8,801,007	7,291,951
Middle East	34,825	32,463
Africa	89,960	19,599
Asia	6,514	21,496
South America	-	20,623
	<u>8,932,306</u>	<u>7,386,132</u>

#### Major products lines

Wire and cables	8,758,755	7,191,593
Aluminium profile business	173,551	194,539
	<u>8,932,306</u>	<u>7,386,132</u>

#### Sales channels

Goods sold:		
- directly to consumers	7,254,422	6,245,610
- through intermediaries	1,677,884	1,140,522
	<u>8,932,306</u>	<u>7,386,132</u>

## 18. MARKETING, SELLING AND DISTRIBUTION COSTS

Salaries, wages and benefits	123,144	109,650
Rent, rates and taxes	2,852	1,944
Commission	75	1,950
Repairs and maintenance	2,322	2,377
Communication and stationary	2,519	3,372
Training, travelling and entertainment	13,833	20,406
Advertising and publicity	94,702	105,693
Carriage and forwarding expenses	95,551	75,365
Depreciation	10,393	8,842
Depreciation on right-of-use assets	13,834	11,572
Subscriptions	1,619	1,631
Insurance	1,533	1,555
Fuel and power	4,484	4,716
Other expenses	3,253	2,946
	<u>370,114</u>	<u>352,019</u>



		<b>Nine months period ended</b>	
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>31 March</b>	<b>31 March</b>
		<b>2021</b>	<b>2020</b>
		<b>(Rupees in '000)</b>	
<b>19. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits	126,638	106,485	
Insurance	1,495	1,774	
Repairs and maintenance	9,919	8,126	
Legal and professional	10,666	8,459	
Auditors' remuneration	1,564	1,604	
Donations and CSR	1,186	4,877	
Communication and stationary	6,132	7,935	
Training, travelling and entertainment	3,212	6,557	
Depreciation	9,976	9,907	
Depreciation on right-of-use assets	5,634	3,627	
Amortization	2,245	791	
Fuel and power	5,330	4,447	
Other expenses	6,770	7,925	
	<u>190,767</u>	<u>172,514</u>	
<b>20. FINANCE COST</b>			
Mark-up on finances under mark-up arrangements	58,858	80,532	
Mark-up on finances under a shariah compliance arrangement	10,986	9,408	
Mark-up on finances under export refinance	396	223	
Mark-up on long-term loans under mark-up arrangements	54,672	81,855	
Mark-up on lease liability	5,854	8,389	
Mark-up on SBP refinance schemes	14,042	-	
Mark-up on distributors deposit	225	225	
Exchange loss	1,110	40,231	
Bank charges	7,807	4,747	
	<u>153,950</u>	<u>225,610</u>	
<b>21. OTHER EXPENSES</b>			
Workers' profits participation fund	24,571	1,492	
Workers' welfare fund	9,279	643	
Liquidated damages for late deliveries	4,745	250	
	<u>38,595</u>	<u>2,385</u>	
<b>22. TAXATION</b>			
Current - for the period	144,330	35,945	
- prior years - net	18,736	(2,783)	
Deferred - due to changes in temporary differences - net	(16,622)	(25,754)	
	<u>146,444</u>	<u>7,408</u>	
<b>23. EARNING PER SHARE - basic and diluted</b>			
Profit after tax for the period	<u>311,133</u>	<u>20,305</u>	
	<b>(Number of shares)</b>		
Weighted average number of ordinary shares outstanding during the period	<u>35,578</u>	<u>35,578</u>	
	<b>(Rupees)</b>		
Earning per share - basic and diluted	<u>8.75</u>	<u>0.57</u>	

**24. CASH GENERATED FROM OPERATIONS**

	<b>Nine months period ended</b>	
	<b>(Unaudited) 31 March 2021</b>	<b>(Unaudited) 31 March 2020</b>
	<b>(Rupees in '000)</b>	
Profit before taxation	457,577	27,713
Adjustments for non cash charges and other items:		
- Depreciation	147,117	151,706
- Depreciation on right-of-use asset	19,468	15,199
- Amortization of intangible assets	4,788	2,899
- Amortization of government grant	(8,064)	-
- Provision for staff gratuity	4,485	4,297
- Other long-term employee benefits	-	2,106
- Gain on disposal of fixed assets	(11,454)	(200)
- Share of profit from associate	(11,378)	(1,525)
- Finance cost	153,950	225,610
- Working capital changes	24.1 (251,119)	746,969
	<b>505,370</b>	<b>1,174,774</b>

**24.1 Working capital changes:**

*(Increase) / decrease in current assets*

- Stores and spares	(4,049)	5,256
- Stock-in-trade	(146,635)	254,436
- Trade debts	(961,310)	452,841
- Short-term loans and advances	(70,850)	26,056
- Short-term deposits and payments	(166)	7,112
- Other receivables - net	19,376	(46,180)
	<b>(1,163,634)</b>	<b>699,521</b>

*Increase / (decrease) in current liabilities*

- Trade and other payables	290,793	60,084
- Contract liabilities	621,722	(12,636)
	<b>912,515</b>	<b>47,448</b>
	<b>(251,119)</b>	<b>746,969</b>

**25. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of the following items:

Cash and bank balances	85,227	59,940
Running finance from banks	(576,580)	(1,137,167)
	<b>(491,353)</b>	<b>(1,077,227)</b>

**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:**

Name of the related party	Relationship / shareholding	Transactions during the period	<b>Nine months period ended</b>	
			<b>(Unaudited) 31 March 2021</b>	<b>(Unaudited) 31 March 2020</b>
			<b>(Rupees in '000)</b>	
Intermark (Private) Limited	Associate	Sale of goods	899,359	557,527
International Industries Limited	Associate	Sale of goods	323	2,522
		Purchase of goods, services & materials	100,329	48,717
		Sharing of rental office expenses	440	393
		Dividend paid	-	6,092
		Dividend received	2,218	1,728
		Proportionate share of changes in equity	11,412	5,157
International Steels Limited	Associate	Sale of goods	599	25,602
		Purchase of goods, services & materials	13,838	3,731
Askari Bank Limited	Common directorship	Sale of goods	-	2,021
Atlas Autos (Private) Limited	Common directorship	Sale of goods	229	3,715
Atlas Energy Limited	Common directorship	Sale of goods	1,761	6,339
Atlas Power Limited	Common directorship	Sale of goods	713	50
Convex Construction	Related Party	Purchase of goods, services & materials	-	9,282
Atlas Honda Limited	Common directorship	Sale of goods	1,400	3,213
		Purchase of goods, services & materials	78	226
Atlas Engineering Limited	Common directorship	Sale of goods	649	338
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium	823	1,825
		Insurance claim received	500	1,500

**Transactions with related parties:**

Name of the related party	Relationship / shareholding	Transactions during the period	Nine months period ended	
			(Unaudited) 31 March 2021 (Rupees in '000)	(Unaudited) 31 March 2020
ICI Pakistan Limited	Common directorship	Sale of goods	-	167
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	13,776	13,772
		Retirement benefit plans payable	3,605	3,422
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plans	3,078	4,214
		Retirement benefit plans receivable / (payable)	23,050	(6,058)
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Remuneration	95,031	95,209
		Directors' fees	2,550	2,400
		Dividend paid	-	11,873
		Directors' fees payable	225	1,125
Workers' Profit Participation Fund	Staff benefit plan	Net charge in respect of staff benefit plan	24,571	1,492
		Staff benefit plan (net) - payable	24,571	187

- 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
<i>Revalued property, plant and equipment</i>			
- 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.

**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% (30 June 2020: 97%) of total revenue of the company.
- 28.2 Sales represent local sales of Rs. 8,801.0 million (31 March 2020: Rs. 7,291.95 million) and export sales of Rs. 131.30 million (31 March 2020: Rs. 94.18 million). The export represents sales to Africa amounting to Rs. 89.96 million, sales to Middle East of Rs. 34.83 million and sales to Asia Rs. 6.51 million (31 March 2020: sales to South America, Middle East, Africa and Asia amounting to Rs. 20.62 million, Rs. 32.46 million, Rs. 19.60 million and Rs. 21.50 million respectively).
- 28.3 All non-current assets of the Company at 31 March 2021 are located in Pakistan. The Company does not have any customer having sales of 15% or more during the period ended 31 March 2021 (30 June 2020: Nil).

**29. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 23 April 2021 by the Board of Directors of the Company.

  
Chief Executive Officer

  
Chairman

  
Chief Financial Officer

**Head Office**

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