

Nurture **Future**

Quarterly Accounts for the
Period Ended September 30, 2021



TRUSTED NOT TO COMPROMISE

COMPANY INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. Waqas Mahmood

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
National Bank of Pakistan
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
Soneri 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

Your Company achieved Sales of Rs. 4.3 billion for the first quarter of 2021-22, which is 140% higher than the sales for the same period of last year. Strong sales performance was witnessed due to improving market dynamics. Gross profit recorded at Rs. 571.3 million for the quarter was significantly higher compared to Rs. 128.2 million in the same period of last year.

Selling, Marketing, Administrative expenses and impairment loss on trade debts for the quarter are Rs. 203.0 million compared to Rs. 134.2 million in the same period of last year. Finance cost for the quarter at Rs. 69.6 million are higher than Rs. 46.3 million in the same period of last year. As a result of higher sales and improved output, the Company ended the first quarter with a profit after tax of Rs. 184.9 million, resulting in an EPS of Rs. 5.2 compared to a loss after tax of Rs. 36.9 million (LPS of Rs. 1.04) in the same period of last year.

The Company is reasonably confident that it will be able to achieve consistency in operating performance going forward in order to support improved market demand for its products. On the other hand, high copper prices, rupee depreciation and rising interest rates are increasing the cost of doing business and could potentially impact profits. Moreover, early signs of the economy overheating and uncertainty around the geo-political situation and the IMF program could have a bearing on the performance of your company in the future.

We are pleased to inform the shareholders that during the current quarter, your Company received two awards, the Consumers' Choice Award and the FPCCI Merit Export Award for 2021 which shows our continued commitment towards professionalism and providing superior customer services. Your Company has also launched its range of Wiring Accessories, which has been well received by the market.

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

On behalf of the Board of Directors



MUSTAPHA A. CHINOY
Chairman

Karachi: October 27, 2021

ڈائریکٹرز کا تجزیہ

آپ کی کمپنی نے 2021-22 کی پہلی سہ ماہی میں 4.3 بلین روپے کی سیلز کا ہدف حاصل کیا جو گذشتہ برس کی اسی مدت سے 140 فی صد زائد ہے۔ سیلز میں عمدہ کارکردگی کو منڈی کی صورت حال بہتر ہونے سے منسوب کیا جاتا ہے۔ گذشتہ برس کی اسی مدت میں 128.2 بلین روپے کے مقابلہ میں پہلی سہ ماہی کے دوران مجموعی منافع 571.3 بلین روپے ریکارڈ ہوا۔

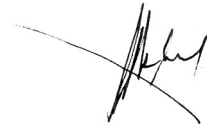
فروخت، مارکیٹنگ اور انتظامی اخراجات اور تجارتی قرضوں میں نقائص کی درستی پر نقصان گذشتہ برس کی اسی مدت میں 134.2 بلین روپے کے مقابلہ میں 203.0 بلین روپے درج ہوا۔ زیر جائزہ سہ ماہی کے دوران مالیاتی لاگت گذشتہ برس کی اسی مدت میں 46.3 بلین روپے کے مقابلہ میں اضافہ کے ساتھ 69.6 بلین روپے رہی۔ سیلز کے زیادہ حجم اور بہتر پیداوار کے باعث کمپنی نے پہلی سہ ماہی کا اختتام 184.9 بلین روپے منافع بعد از ٹیکس کے ساتھ کیا جس کے نتیجے میں فی حصص آمدنی 5.2 روپے رہی جب کہ گذشتہ برس کی اسی مدت میں 36.9 بلین روپے کا خسارہ (خسارہ فی حصص 1.04 روپے) بعد از ٹیکس ریکارڈ ہوا۔

کمپنی پر امید ہے کہ اپنی مصنوعات کے لئے منڈی میں بڑھتی ہوئی طلب کو پورا کرنے کے لئے مستقبل میں کمپنی اپنی مثبت آپریٹنگ کارکردگی کا تسلسل برقرار رکھے گی۔ دوسری جانب، کارپری بڑھتی ہوئی قیمتیں، روپے کی قدر میں کمی اور شرح سود میں اضافہ، جس کی وجہ سے کاروباری لاگت میں اضافہ اور ممکنہ طور پر منافع کو متاثر کر سکتی ہیں۔ مزید برآں معیشت کی اور ہیٹنگ اور غیر یقینی جغرافیائی سیاسی صورت حال کی ابتدائی آثار اور IMF پروگرام بھی مستقبل میں آپ کی کمپنی کی کارکردگی پر اثر انداز ہو سکتے ہیں۔

ہم اپنے شیئر ہولڈرز کو بصد مسرت آگاہ کرتے ہیں کہ حالیہ سہ ماہی کے دوران آپ کی کمپنی نے دو ایوارڈ کنٹریومرز چوائس ایوارڈ اور FPCC میرٹ ایکسپورٹ ایوارڈ 2021ء حاصل کئے ہیں جو پیشہ ورانہ کارکردگی اور بہترین صارف خدمات فراہم کرنے کی جانب عزم کی عکاسی کرتے ہیں۔ آپ کی کمپنی نے کئی اقسام کی وائرنگ کے لوازمات بھی متعارف کرائے ہیں، جن کو مارکیٹ میں بھرپور پذیرائی ملی ہے۔

زیر جائزہ مدت کے دوران ڈائریکٹرز کمپنی کی انتظامیہ اور ملازمین کی ان تھک محنت اور جذبہ کی خلوص نیت سے قدر کرتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کی جانب سے ہم اپنے تمام معزز صارفین، ڈسٹری بیوٹرز، ڈیلرز، ٹیکمرز، وینڈرز اور تمام دیگر سٹیک ہولڈرز کی جانب سے کمپنی پر اعتماد اور بھروسہ کے لئے تہہ دل سے شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



مصطفیٰ اے چنائے

چیئرمین

کراچی: 27 اکتوبر، 2021ء

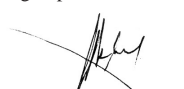
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	(Unaudited) 30 September 2021	(Audited) 30 June 2021
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,178,470	4,778,649
Right-of-use assets		45,440	51,584
Intangible assets		11,327	12,617
Investment in associated company		125,604	120,977
Long-term loans receivable		6,816	7,780
Long-term deposits		5,990	6,200
Total non-current assets		5,373,647	4,977,807
Current assets			
Stores and spares		61,998	67,220
Stock-in-trade	5	2,704,496	2,503,864
Trade debts	6	3,062,477	2,786,556
Short-term loans and advances	7	183,626	60,184
Short-term deposits and prepayments	8	28,854	32,012
Other receivables	9	128,552	129,918
Advance tax - net of provision		358,752	365,723
Cash and bank balances	10	119,577	107,644
Total current assets		6,648,332	6,053,121
Total assets		12,021,979	11,030,928
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		500,000	500,000
50,000,000 (30 June 2021: 50,000,000) ordinary shares of Rs. 10 each			
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		1,599,024	1,599,394
<i>Revenue reserves</i>			
General reserve		1,575,000	1,268,000
Un-appropriated profit		126,785	530,386
Total shareholders' equity		5,251,727	5,348,698
Non-current liabilities			
Long-term borrowings	11	867,347	739,786
Lease liabilities		9,553	10,221
Deferred liability for staff gratuity		45,732	44,034
Other long-term employee benefits		6,493	6,493
Deferred tax liability - net		35,547	39,302
Total non-current liabilities		964,672	839,836
Current liabilities			
Current portion of long-term borrowings	11	438,575	416,678
Current portion of lease liabilities		8,661	9,696
Trade and other payables	12	1,408,721	1,417,370
Short-term loan from banking companies	13	3,005,964	2,133,553
Contract liabilities		586,219	807,188
Proposed dividend payable		284,624	-
Unclaimed dividend		25,566	25,566
Mark-up accrued on bank borrowings		47,250	32,343
Total current liabilities		5,805,580	4,842,394
Total liabilities		6,770,252	5,682,230
Contingencies and commitments	14		
Total equity and liabilities		12,021,979	11,030,928

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



Chief Executive Officer



Chairman



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	July to September 2021	July to September 2020
		(Rupees in '000)	
Net sales	15	4,341,955	1,808,955
Cost of sales		<u>(3,770,613)</u>	<u>(1,680,764)</u>
Gross profit		571,342	128,191
Marketing, selling and distribution costs	16	<u>(135,583)</u>	<u>(90,471)</u>
Administrative expenses	17	<u>(67,402)</u>	<u>(55,569)</u>
Impairment reversal on trade debts		<u>-</u>	<u>11,800</u>
		(202,985)	(134,240)
Finance cost	18	<u>(69,574)</u>	<u>(46,309)</u>
Other expenses		<u>(22,839)</u>	<u>(44)</u>
		(92,413)	(46,353)
Other income		26,716	10,243
Share of profit / (loss) from associate under the equity basis of accounting		<u>5,500</u>	<u>(1,367)</u>
Profit / (loss) before income tax		308,160	(43,526)
Taxation		<u>(123,233)</u>	<u>6,618</u>
Profit / (loss) after tax		<u>184,927</u>	<u>(36,908)</u>
		(Rupees)	
Earnings / (loss) per share - basic and diluted	19	<u>5.20</u>	<u>(1.04)</u>

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


Chief Executive Officer


Chairman


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	July to September 2021	July to September 2020
	(Rupees in '000)	
Profit / (loss) after tax for the period	184,927	(36,908)
Other comprehensive income:		
<i>Items that will not be reclassified to statement of profit and loss account</i>		
Share of other comprehensive (loss) / income from the associated company	(215)	267
Total comprehensive income / (loss)	<u>184,712</u>	<u>(36,641)</u>

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


 Chief Executive Officer


 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Note	30 September 2021	30 September 2020
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	20	(402,614)	(34,008)
Gratuity paid		-	(521)
Finance costs paid		(48,237)	(51,825)
Income tax paid		(120,537)	(48,094)
Long-term loans receivable		964	384
Long-term deposits		210	-
Net cash used in operating activities		(570,214)	(134,064)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure including intangible assets		(443,146)	(204,486)
Proceeds from disposal of fixed assets		7,857	3,589
Net cash used in investing activities		(435,289)	(200,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained		212,890	468,751
Repayment of long term loans		(65,468)	(33,750)
Lease rentals paid		(2,397)	(2,413)
Short-term loan from banking companies		442,000	(456,600)
Dividend paid		-	(49)
Net cash generated from / (used in) financing activities		587,025	(24,061)
Net decrease in cash and cash equivalents		(418,478)	(359,022)
Cash and cash equivalents at beginning of the year		(301,909)	(29,290)
Cash and cash equivalents at end of the period	21	(720,387)	(388,312)

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


 Chief Executive Officer


 Chairman


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	Share Capital	Capital Reserve		Revenue Reserve		Total
	Issued, subscribed and paid-up capital	Share premium reserve	Surplus on revaluation of assets - net of tax	General reserve	Un-appropriated profit / (loss)	
	(Rupees in '000)					
Balance as at 01 July 2020	355,779	1,595,139	1,612,934	1,268,000	(61,694)	4,770,158
<i>Total comprehensive income / (loss) for the period from July 2020 to September 2020</i>						
- Loss after tax	-	-	-	-	(36,908)	(36,908)
- Other comprehensive income	-	-	-	-	267	267
	-	-	-	-	(36,641)	(36,641)
Transfer from surplus on revaluation of building - net of deferred tax	-	-	(3,311)	-	3,311	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2020 to 30 September 2020 - net of deferred tax (transfers)	-	-	(15)	-	-	(15)
Balance as at 30 September 2020	<u>355,779</u>	<u>1,595,139</u>	<u>1,609,608</u>	<u>1,268,000</u>	<u>(95,024)</u>	<u>4,733,502</u>
Balance as at 01 July 2021	355,779	1,595,139	1,599,394	1,268,000	530,386	5,348,698
<i>Total comprehensive income / (loss) for the period from July 2021 to September 2021</i>						
- Profit after tax	-	-	-	-	184,927	184,927
- Other comprehensive loss	-	-	-	-	(215)	(215)
	-	-	-	-	184,712	184,712
Transfer to general reserve for the year ended 30 June 2021	-	-	-	307,000	(307,000)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	(3,311)	-	3,311	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2021 to 30 September 2021 - net of deferred tax (transfers)	-	-	2,941	-	-	2,941
Transactions with owners of the Company - Distribution						
Final cash dividend for the year ended 30 June 2021 @ Rs. 8.00 per share	-	-	-	-	(284,624)	(284,624)
Balance as at 30 September 2021	<u>355,779</u>	<u>1,595,139</u>	<u>1,599,024</u>	<u>1,575,000</u>	<u>126,785</u>	<u>5,251,727</u>

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


Chief Executive Officer


Chairman


Chief Financial Officer

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2021

1 INTRODUCTION

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

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

2 BASIS OF PRESENTATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange Limited. These condensed interim financial statements comprise of the statement of financial position as at 30 September 2021 and statement of profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the three months period ended 30 September 2021.

2.3 The comparative statement of financial position presented in these condensed interim financial statements as at 30 June 2021 has been extracted from the audited financial statements of the Company for the year ended 30 June 2021, whereas the comparative statement of profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the three months period ended 30 September 2020 have been extracted from the unaudited condensed interim financial statements for the period then ended.

2.4 These condensed interim financial statement does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 30 June 2021.

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

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2021.

3.1 Accounting estimates, judgements and financial risk management

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2021.

4 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 30 September 2021	(Audited) 30 June 2021
	(Rupees in '000)	
Operating fixed assets	2,875,163	2,896,705
Capital work in progress	2,303,307	1,881,944
	<u>5,178,470</u>	<u>4,778,649</u>

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

	Note	Three months period ended 30 September 2021	30 September 2020
(Rupees in '000)			
Additions			
Plant and machinery		6,193	1,094
Office equipment and appliances		1,286	2,821
Others		1,541	7,081
Capital work in progress	4.1	434,126	193,490
		<u>443,146</u>	<u>204,486</u>
Disposals - Net book value			
Vehicles [cost Rs. 6.64 million (30 September 2020 : Nil)]		<u>1,482</u>	<u>-</u>
Plant and machinery and others [cost Rs. 3.39 million (30 September 2020: Rs. 11.63 million)]		<u>-</u>	<u>121</u>
Transfer from Capital work in progress		<u>12,763</u>	<u>13,037</u>
4.1 This represents the purchase of plant and machinery, building and others.			
		(Unaudited) 30 September 2021	(Audited) 30 June 2021
5 STOCK-IN-TRADE			
(Rupees in '000)			
Raw materials [including Rs. 220.41 million in transit (30 June 2021 : Rs. 59.92 million)]	5.1	1,042,754	1,093,179
Work-in-process	5.2	767,386	532,820
Finished goods	5.2	842,277	813,122
Scrap		52,079	64,743
		<u>2,704,496</u>	<u>2,503,864</u>
5.1 Raw material includes slow moving items carried at Rs. Nil (30 June 2021: Nil) as against their cost of Rs. 22.47 million (30 June 2021: Rs. 22.47 million).			
5.2 Work-in-process and finished goods include slow moving items amounting to Rs. 4.10 million (30 June 2021: Rs. 54.30 million) and Rs. 16.49 million (30 June 2021: Rs. 15.00 million) respectively stated at their net realizable values against their cost of Rs. 4.68 million (30 June 2021: Rs. 61.80 million) and Rs. 26.50 million (30 June 2021: Rs. 22.00 million) respectively.			
6 TRADE DEBTS			
Unsecured and non-interest bearing			
Due from related parties		313,739	266,619
Others		2,810,647	2,585,319
		<u>3,124,386</u>	<u>2,851,938</u>
Provision for doubtful trade debts		(61,909)	(65,382)
		<u>3,062,477</u>	<u>2,786,556</u>
6.1 Provision for doubtful trade debts			
Balance as on 01 July		65,382	78,064
Reversal during the period - net		-	(8,683)
Trade debts balances written off during the period		(3,473)	(3,999)
		<u>61,909</u>	<u>65,382</u>
7 SHORT-TERM LOANS AND ADVANCES			
Current portion of long term loans		4,597	4,649
Short-term advances to employees		2,461	2,693
Advances to suppliers		176,568	52,842
		<u>179,029</u>	<u>55,535</u>
		<u>183,626</u>	<u>60,184</u>

	Note	(Unaudited) 30 September 2021	(Audited) 30 June 2021
(Rupees in '000)			
8	SHORT-TERM DEPOSITS AND PREPAYMENTS		
	Deposits	9,579	25,523
	Prepayments	19,275	6,489
		<u>28,854</u>	<u>32,012</u>
9	OTHER RECEIVABLES - considered good		
	Sales tax refundable	69,078	74,298
	Receivable from staff pension fund - related party	55,191	55,455
	Dividend receivable from associate - related party	4,118	-
	Others	165	165
		<u>128,552</u>	<u>129,918</u>
10	CASH AND BANK BALANCES		
	With banks - in current accounts	107,315	89,335
	- profit and loss sharing account	10.1 12,055	17,960
	Cash in hand	207	349
		<u>119,577</u>	<u>107,644</u>
10.1	The profit and loss sharing bank balance carry profit at the rate of 5.50% (30 June 2021: 5.50%) per annum.		
11	LONG TERM BORROWINGS - secured		
	Loan from conventional financial institutions	1,211,549	1,116,589
	Current portion shown under current liabilities	(420,031)	(403,951)
		<u>791,518</u>	<u>712,638</u>
	Deferred income - government grant	94,373	39,875
	Current portion of deferred income - government grant	(18,544)	(12,727)
		<u>75,829</u>	<u>27,148</u>
		<u>867,347</u>	<u>739,786</u>

11.1 Long term loans have been obtained for the purpose of capital expenditure which are secured against mortgage of land and building and hypothecation of specific plant and machinery. The Company has also availed long term loans against State Bank of Pakistan (SBP) Refinancing Schemes for its salary & wages and against Temporary Economic Refinance Facility (TERF).

A long term loan of Rs. 500 million has been obtained for capital expenditure which is secured against mortgage of land at S.I.T.E., Karachi and building thereon (charge of Rs. 1,333 million). The total amount outstanding against this loan is Rs. 417 million as on 30 September 2021 (30 June 2021: Rs. 417 million). Rate of markup on the above loan is at 7.87% per annum (30 June 2021: 7.87% 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 30 September 2021 was Rs. 500 million (30 June 2021: Facility available of Rs. 1,000 million of which amount unutilized as at 30 June 2021 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. 748 million). The total amount outstanding against these loans amounts to Rs. 402.50 million as on 30 September 2021 (30 June 2021: Rs. 438.10 million). Rate of markup on these loans at the period end ranged between 7.66% per annum to 8.21% per annum (30 June 2021: 7.50% per annum to 8.16% per annum). These loans are for five years from the date of disbursement and are repayable in eight half yearly equal principal installments of Rs. 20.00 million, Rs. 11.25 million and sixteen quarterly equal principal installments of Rs. 17.18 million commencing from 21 August 2019, 05 February 2021 and 28 December 2021 respectively. The facility available under the above arrangement amounted to Rs. 750 million of which the amount remained unutilized as at that date was Rs. 225 million (30 June 2021: Facility available of Rs. 785 million of which amount remained unutilized as at 30 June 2021 was Rs. 225 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 2021: Rs. 232.27 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. 29.03 million commencing from 01 April 2021. The facility available under the above arrangement amounted to Rs. 290 million (30 June 2021: Rs. 290 million).

In addition to the above, the Company has also obtained long term loan of Rs. 305.31 million against Temporary Economic Refinance Facility (TERF) under SBP refinance scheme as on 30 September 2021 (30 June 2021: Rs. 92.42 million). The rate of markup on these loans at period end ranged between 1.50% per annum to 2.50% per annum (30 June 2021: 1.50% per annum to 1.75% per annum). These loans are secured against hypothecation of specific plant and machinery for 10 years period.

		(Unaudited) Note 30 September 2021	(Audited) 30 June 2021
12	TRADE AND OTHER PAYABLES		
		(Rupees in '000)	
	Creditors	521,542	465,742
	Accrued expenses	440,423	508,279
	Salary and wages payable	15,550	16,056
	Accrual for import levies	371,484	352,357
	Payable to staff provident fund - related party	4,285	3,364
	Workers' profit participation fund	16,541	37,214
	Workers' welfare fund	21,065	14,951
	Security deposits from distributors and employees	8,131	8,357
	Withholding income tax payable	6,348	6,124
	Others	3,352	4,926
		<u>1,408,721</u>	<u>1,417,370</u>
13	SHORT TERM LOANS FROM BANKING COMPANIES		
	Secured		
	Running musharka under Shariah arrangements	13.1 307,015	18,264
	Running finances under mark-up arrangements	13.2 532,949	391,289
	Running finances from banks	839,964	409,553
	Short term finances under mark-up arrangements	13.3 2,115,000	1,685,000
	Export refinance under mark-up arrangements	13.4 51,000	39,000
		<u>3,005,964</u>	<u>2,133,553</u>

13.1 Running musharka under Shariah arrangements

Running Musharaka under Shariah arrangement carries markup at the rate of 7.64% per annum to 7.71% per annum (30 June 2021: 7.64% per annum to 7.73% per annum) and the available facility is Rs. 750 million (30 June 2021: Rs. 750 million). At 30 September 2021, the facility unutilised was Rs. 443 million (30 June 2021: Rs. 732 million).

13.2 Running finances under mark-up arrangements

The Company has also arranged short-term running finance facilities under mark-up arrangements from certain banks. The overall facility for these running finances under mark-up arrangements amounts to Rs. 3,826 million (30 June 2021: Rs. 3,797 million). Rate of mark-up on these running finance facilities under mark-up arrangements ranges between 7.60% per annum to 8.45% per annum net of prompt payment rebate (30 June 2021: 7.73% per annum to 8.58% per annum). The facilities will expire between 30 September 2021 to 31 August 2022 and are renewable.

13.3 Short term finances under mark-up arrangement

Amount outstanding against the short term finance facilities as at 30 September 2021 was Rs. 2,115 million (30 June 2021: Rs. 1,685 million) against the available facilities of Rs. 4,321 million (30 June 2021: Rs. 4,292 million). This includes facilities earmarked out of the total running finance facilities obtained from banks. Mark-up on short term finance is agreed at each disbursement and as at 30 September 2021, it was ranging between 7.51% per annum to 7.82% per annum (30 June 2021: 7.55% per annum to 7.66% per annum).

13.4 Export Refinance under mark-up Arrangement

The amount outstanding against the export refinance facility as at 30 September 2021 available from various banks was Rs. 51 million (30 June 2021: Rs. 39 million). The rate of markup on export refinance facility is 3.0% per annum (30 June 2021: 3.0% per annum). The total facility available under this arrangement amounts Rs. 800 million (30 June 2021: Rs. 800 million) which is a sub-limit of the above running finance limit out of which Rs. 749 million (30 June 2021: Rs. 761 million) remain unutilised as at 30 September 2021.

13.5 Other facilities

The facility for opening letters of credit and guarantees as at 30 September 2021 amounted to Rs. 5,755 million including Rs. 1,613 million relating to the guarantees (30 June 2021: Rs. 5,755 million including Rs. 1,735 million relating to the guarantees) of which the amount remained unutilized as at 30 September 2021 was Rs. 4,347 million including Rs. 434 million relating to the guarantees (30 June 2021: Rs. 4,503 million including Rs. 537 million relating to the guarantees).

13.6 Securities

These above arrangements are secured by way of joint pari passu hypothecation over stocks, stores and spares and present and future trade debts of the Company of Rs. 6,485 million and a ranking charge of Rs. 200 million, Rs. 500 million, Rs. 333 million, Rs. 500 and Rs. 500 Million for facilities availed from Bank Al Habib, Soneri Bank Limited, Bank Islami Pakistan Limited, Habib Metropolitan Bank and National Bank of Pakistan respectively, which will be upgraded to first Joint Pari Passu Charge.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 7.0 million (30 June 2021: Rs. 5.8 million) against partial exemption of import levies.
- Bank guarantees amounting to Rs. 1,179 million (30 June 2021: Rs. 1,198 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

14.2 Commitments

- Aggregate commitments for capital expenditure as at 30 September 2021 amounted to Rs. 2,374.39 million (30 June 2021: Rs. 1,991.92 million).
- Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 30 September 2021 amounted to Rs. 277.97 million (30 June 2021: Rs. 222.72 million). These are in respect of the letters of credit opened before the period end but no shipment by then had been made.

15 NET SALES

	Three months period ended	
	30 September 2021	30 September 2020
	(Rupees in '000)	
Gross local sales	5,022,962	2,064,246
Export sales	62,699	54,730
	5,085,661	2,118,976
Sales tax	(743,706)	(307,835)
Discount	-	(2,186)
	(743,706)	(310,021)
	4,341,955	1,808,955

15.1 Disaggregation of revenue

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

Primary geographical markets

Pakistan	4,279,255	1,754,225
Asia (other than Pakistan)	17,536	-
Africa	45,164	54,730
	4,341,955	1,808,955

Major products lines

Wire and Cables	4,291,319	1,780,190
Aluminium profile business	50,636	28,765
	4,341,955	1,808,955

		Three months period ended	
		30 September 2021	30 September 2020
		(Rupees in '000)	
Sales channels			
Goods sold:			
-	directly to consumers	3,696,560	1,478,422
-	through intermediaries	645,395	330,533
		<u>4,341,955</u>	<u>1,808,955</u>
16	MARKETING, SELLING AND DISTRIBUTION COSTS		
	Salaries, wages and benefits	43,699	31,703
	Rent, rates and taxes	1,675	869
	Commission	-	75
	Repairs and maintenance	1,073	768
	Communication and stationary	1,199	1,102
	Training, travelling and entertainment	6,273	4,192
	Advertising and publicity	30,400	16,524
	Carriage and forwarding expenses	39,957	23,843
	Depreciation	3,442	3,307
	Depreciation on right-of-use assets	4,266	4,830
	Subscriptions	598	583
	Insurance	713	561
	Other expenses	2,288	2,114
		<u>135,583</u>	<u>90,471</u>
17	ADMINISTRATIVE EXPENSES		
	Salaries, wages and benefits	44,887	32,455
	Insurance	787	137
	Repairs and maintenance	3,429	3,849
	Legal and professional	1,851	4,561
	Donation and CSR	287	-
	Auditors' remuneration	592	584
	Communication and stationary	3,587	2,195
	Training, travelling and entertainment	1,273	1,415
	Depreciation	3,469	3,316
	Depreciation on right-of-use assets	1,878	1,878
	Amortization	793	642
	Other expenses	4,569	4,537
		<u>67,402</u>	<u>55,569</u>
18	FINANCE COSTS		
	Mark-up on finances under mark-up arrangements	31,873	16,234
	Mark-up on finances under a shariah compliance arrangement	9,386	3,906
	Mark-up on finances under export refinance	219	329
	Mark-up on long-term loans under mark-up arrangements	16,318	17,446
	Mark-up on lease liability	694	2,845
	Mark-up on SBP refinance schemes	5,736	3,032
	Mark-up on distributors deposit	75	75
	Un-winding of provision for GID cess	2,078	-
	Exchange loss	300	80
	Bank charges	2,895	2,362
		<u>69,574</u>	<u>46,309</u>
19	EARNING / (LOSS) PER SHARE - basic and diluted		
	Profit / (loss) after taxation	184,927	(36,908)
		(Number of shares)	
	Weighted average number of ordinary shares outstanding during the period	35,578	35,578
		(Rupees)	
	Earning / (loss) per share - basic and diluted	5.20	(1.04)

	Note	Three months period ended	
		30 September 2021	30 September 2020
		(Rupees in '000)	
20	CASH USED IN OPERATIONS		
	Profit / (loss) before taxation	308,160	(43,526)
	Adjustments for non cash charges and other items:		
	- Depreciation	41,842	50,107
	- Depreciation on right-of-use asset	6,144	6,708
	- Amortization of intangible assets	1,291	1,490
	- Amortization of government grant	(3,700)	(1,717)
	- Provision for staff gratuity	1,698	1,495
	- Gain on disposal of fixed assets	(6,374)	(3,468)
	- Share of (profit) / loss from associate	(5,500)	1,367
	- Finance costs	69,574	46,309
	- Working capital changes	20.1 (815,749)	(92,773)
		<u>(402,614)</u>	<u>(34,008)</u>
20.1	Working capital changes:		
	(Increase) / decrease in current assets		
	- Stores and spares	5,222	1,058
	- Stock-in-trade	(200,632)	(327,168)
	- Trade debts	(275,921)	320,831
	- Short-term loans and advances	(123,442)	7,722
	- Short-term deposits and payments	3,158	(4,096)
	- Other receivables - net	5,484	(100,156)
		<u>(586,131)</u>	<u>(101,809)</u>
	Increase / (decrease) in current liabilities		
	- Trade and other payables	(8,649)	(207,390)
	- Contract liabilities	(220,969)	216,426
		<u>(229,618)</u>	<u>9,036</u>
		<u>(815,749)</u>	<u>(92,773)</u>
21	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents comprise of the following items:		
	Cash and bank balances	119,577	91,231
	Running finance from banks	(839,964)	(479,543)
		<u>(720,387)</u>	<u>(388,312)</u>

Name of the related party	Relationship / shareholding	Transactions during the quarter	Three months period ended	
			30 September 2021	30 September 2020
			(Rupees in '000)	
International Steels Limited	Associate	Sale of goods	-	150
		Purchase of goods, services & materials	-	8,527
Atlas Energy Limited	Common directorship	Sale of goods	-	1,761
Atlas Honda Limited	Common directorship	Sale of goods	-	104
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium expense	3,560	-
State Life Insurance Corp. of Pakistan	Common directorship	Office Rent	42	-
Young President Organization Pakistan	Common directorship	Subscription	1,000	-
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	5,357	4,614
		Retirement benefit plans payable	4,285	3,673
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plans	265	1,026
		Retirement benefit plans receivable	55,191	25,102
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Remuneration	74,181	31,365
		Directors' fees	1,125	900
		Directors' fee payable	675	600
Workers' Profit Participation Fund	Staff benefit plan	Net charge in respect of staff benefit plan	16,541	-
		Staff benefit plan payable	16,541	-

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

22.2 Contributions to defined contribution plan (provident fund) are made as per the terms of employment and contribution to / charge for the defined benefit plan (pension scheme) are in accordance with the actuarial advice.

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

22.4 Other transactions are at agreed terms.

23 OPERATING SEGMENTS

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

23.1 Revenue from cables & wires represents 99% (30 June 2021: 98%) of total revenue of the company.

23.2 Sales represent local sales of Rs. 4,279.26 million (30 September 2020: Rs. 1,754.23 million) and export sales of Rs. 62.70 million (30 September 2020: Rs. 54.73 million). The export represents sales to Africa amounting to Rs. 45.16 million (30 September 2020: sales to Africa amounting to Rs. 54.73 million) and Asia amounting Rs. 17.54 million (30 September 2020: Rs. Nil).

23.3 All non-current assets of the Company at 30 September 2021 are located in Pakistan. The Company does not have any customer having sales of 10% or more during the period (30 June 2021: Nil).

24 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 27 October 2021 by the Board of Directors of the Company.


Chief Executive Officer


Chairman


Chief Financial Officer

Head Office

Arif Habib Centre,

1st Floor, 23 MT Khan Road, Karachi

UAN: 021-111-CABLES (222-537)

Email: info@pakistancables.com

Pakistan Cables Limited

B-21, Pakistan Cables Road,

S.I.T.E, PO Box 5050, Karachi-75700

Tel No: 021-32561170-5

www.pakistancables.com