



PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

1ST
QUARTERLY REPORT
MARCH 31, 2022





PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

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COMPANY INFORMATION

Board of Directors

- Mr. Simon Michael Gwyn Jennings (Chairman)
- Mr. Asad Shahid Soorty
- Mr. Ejaz Ahmad
- Mr. Muhammad Jawaid Iqbal
- Mr. Zain Ashraf Mukaty
- Ms. Hamida Salim Mukaty
- Mr. Azam Sakrani

Chief Executive

- Mr. Azam Sakrani

Audit Committee

- Mr. Ejaz Ahmad (Chairman)
- Mr. Asad Shahid Soorty
- Mr. Zain Ashraf Mukaty

Human Resource and Remuneration Committee

- Mr. Muhammad Jawaid Iqbal (Chairman)
- Mr. Simon Michael Gwyn Jennings
- Mr. Zain Ashraf Mukaty

Company Secretary

- Mr. Muhammad Shehroze

Registered Office

- PHA Flat No. 04, Block No. 12, G-8 / 4, Islamabad

Main Office

- 29 & 30, M-3 Industrial City, Main Boulevard, Sahianwala, Faisalabad

Auditors

- A. F. Ferguson & Co., Chartered Accountants

Legal Advisor

- Muhammad Mehmood Arif

Share Registrar

- THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, 75500 Pakistan.

DIRECTORS' REVIEW

The Board of Directors is pleased to present un-audited financial statements of the Company for the quarter ended March 31, 2022.

Performance Review

Your Company managed to deliver excellent financial performance and posted a profit after tax of Rs. 611 million during the first quarter of 2022, despite macro-economic challenges and inflationary pressures. This performance has translated into Earnings per Share of Rs. 1.69 for the quarter ended March 31, 2022

Through its continued focus on excellence, your Company has reached new milestones and delivered best quarterly performance, both in terms of sales volume and profitability growth. During the period under consideration, your Company managed to grow its export sales and local sales by 18 % and 50 % respectively, as compared the same period last year.

A summary of the financial results for the quarter ended March 31, 2022 are given below:

(Rupees in Million)

Sales	2,624
Gross Profit	864
Profit before taxation	627
Profit after taxation	611
Earnings per share (Rupees)	1.69

Capacity Expansion

The project to expand rated can manufacturing capacity from 700 million cans per year to 950 million cans per year is progressing well, and is expected to be commissioned by the end of second quarter of 2022. The additional capacity will help the Company to meet the growing demand of aluminium beverage cans both locally and internationally.

Future Outlook

The Board of Directors and Executive Management remains committed to maintaining sharp focus on improving the financial performance of your Company. With additional production capacity being available during 2022, we are hopeful that the Company shall continue to grow its sales revenue, improve profitability and increase shareholders' value.

The Company has been making efforts to diversify and explore new export markets in South and Central Asia, the Middle East and Africa, besides maintaining its market share in Afghanistan. The Company faces certain risks such as rising interest rates, inflationary trends witnessed in international commodity prices, and supply chain disruptions which are global challenges and the Company is taking all measures to mitigate these.

Acknowledgements

We would like to take this opportunity to thank the shareholders, customers, employees, vendors, lenders and all other stakeholders for their dedication, continuous support and trust in the Company.

On behalf of the Board of Directors

Chief Executive Officer

April 21, 2022

Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2022

	Note	Un-audited March 31, 2022	Audited December 31, 2021
		----- Rupees -----	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
400,000,000 (December 31, 2021: 400,000,000)			
ordinary shares of Rs 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital		3,611,082,540	3,611,082,540
Capital reserve - share premium		810,040,795	810,040,795
Revenue reserve - accumulated profit		910,029,166	299,426,785
		5,331,152,501	4,720,550,120
Non-current liabilities			
Long term loans - secured		3,075,276,329	2,638,719,631
Deferred tax liability		563,533,322	546,866,996
		3,638,809,651	3,185,586,627
Current liabilities			
Current portion of non-current liabilities		565,180,882	568,099,866
Short-term borrowings - secured		1,376,566,992	2,250,768,169
Trade and other payables		1,481,339,136	1,310,052,046
Derivative financial instruments		71,240,842	94,760,714
Accrued finance cost		97,679,389	37,569,008
		3,592,007,241	4,261,249,803
Contingencies and commitments	4	-	-
		12,561,969,393	12,167,386,550

Chief Executive Officer

Chief Financial Officer

Director

	Note	Un-audited March 31, 2022	Audited December 31, 2021
----- Rupees -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,853,205,088	6,675,461,426
Intangible assets		524,782	781,427
Long term deposit		999,120	999,120
		6,854,728,990	6,677,241,973
Current assets			
Stores and spares		350,003,328	377,726,932
Stock in trade		1,777,872,458	2,252,530,303
Trade debts		998,783,276	560,786,974
Advances, deposits, prepayments and other receivables		156,114,173	114,907,705
Income tax refundable		88,138,802	81,560,033
Short-term investments		2,032,653,000	1,860,231,633
Cash and bank balances		303,675,366	242,400,997
		5,707,240,403	5,490,144,577
		12,561,969,393	12,167,386,550

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

		Three months ended	
	Note	March 31, 2022	March 31, 2021
		----- Rupees -----	
Sales	6	2,623,814,910	1,915,687,293
Cost of sales		(1,759,670,379)	(1,261,687,849)
Gross profit		864,144,531	653,999,444
Administrative expenses		(72,203,983)	(49,462,181)
Selling and distribution expenses		(65,402,123)	(23,130,167)
Impairment loss on financial assets		-	(3,119,694)
Other operating income		42,800,596	2,649,320
Other operating expenses		(46,567,084)	(64,048,443)
Finance costs		(95,503,230)	(59,981,486)
Profit before taxation		627,268,707	456,906,793
Taxation		(16,666,326)	(23,090,752)
Profit for the period		610,602,381	433,816,041
Earnings per share - basic and diluted (Rupees)		1.69	1.20

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Three months ended	
Note	March 31, 2022	March 31, 2021
	----- Rupees -----	
Profit for the period	610,602,381	433,816,041
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
Total comprehensive income for the period	610,602,381	433,816,041

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Share capital Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserve Accumulated profit /(loss)	Total
	----- Rupees -----			
Balance as at December 31, 2020 (audited)	3,611,082,540	810,040,795	(1,277,159,884)	3,143,963,451
Transaction with owners, recognized directly in equity	-	-	-	-
Total comprehensive income for the period ended March 31, 2021				
- Profit for the period	-	-	433,816,041	433,816,041
- Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	433,816,041	433,816,041
Balance as at March 31, 2021 (un-audited)	3,611,082,540	810,040,795	(843,343,843)	3,577,779,492
Balance as at December 31, 2021 (audited)	3,611,082,540	810,040,795	299,426,785	4,720,550,120
Transaction with owners, recognized directly in equity	-	-	-	-
Total comprehensive income for the period ended March 31, 2022				
- Profit for the period	-	-	610,602,381	610,602,381
- Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	610,602,381	610,602,381
Balance as at March 31, 2022 (un-audited)	3,611,082,540	810,040,795	910,029,166	5,331,152,501

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Note	Three months ended March 31, 2022	March 31, 2021
		----- Rupees -----	
Cash flows from operating activities			
Cash generated from operations	7	920,407,540	891,275,286
Finance cost paid		(35,392,849)	(27,399,468)
Interest income received		28,458,972	-
Taxes paid		(6,578,769)	(13,106,760)
Net cash generated from operating activities		906,894,894	850,769,058
Cash flows from investing activities			
Fixed capital expenditure		(236,220,026)	(3,953,232)
Encashment of Term deposit receipts		70,231,633	-
Investment in Term deposit receipts		(8,000,000)	-
Net cash used in investing activities		(173,988,393)	(3,953,232)
Cash flows from financing activities			
Repayment of long-term loans - secured		(65,937,388)	(14,544,993)
Proceeds from long term loans - secured		499,575,102	-
Net cash generated from / (used in) financing activities		433,637,714	(14,544,993)
Net increase in cash and cash equivalents		1,166,544,215	832,270,833
Cash and cash equivalents at the beginning of the period		(218,367,172)	(1,054,713,214)
Effects of exchange rate changes on cash and cash equivalents		3,584,330	1,404,775
Cash and cash equivalents at the end of the period	7.1	951,761,373	(221,037,606)

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

1. Legal status and nature of business

Pakistan Aluminium Beverage Cans Limited (the Company) was incorporated as public unlisted company in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017), on December 4, 2014, and was subsequently listed on Pakistan Stock Exchange on July 16, 2021. The principal activity of the Company is manufacturing and sale of aluminium cans. The Company completed the installation, testing, commissioning of its manufacturing facility at Faisalabad Special Economic Zone in September, 2017 and commenced commercial operations.

1.1 Geographical location and addresses of all business units are as follows:

Sr. No	Manufacturing units and offices	Address
1	Can manufacturing facility	29 & 30, M-3 Industrial City, Main Boulevard Sahianwalla, Faisalabad
2	Registered office	PHA, Flat No. 4, Block No. 12, Sector G-8 / 4, Islamabad

2. Basis of preparation

2.1 Statement of compliance

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 (the Act); and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2021.

2.3 These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Act and Pakistan Stock Exchange Regulations.

3. Significant 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 preceding annual financial statements of the Company for the year ended December 31, 2021. Further, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2021.

4. Contingencies and commitments

4.1 Contingencies

- i) There is no change in status of contingencies, as set out in note 15.1(i) to the annual financial statements of the Company for the year ended December 31, 2021.
- ii) Additional Commissioner Inland Revenue (ACIR) through Show Cause notice dated April 02, 2022, u/s 122 (9) read with section 122(5A) of the income tax Ordinance 2001 (ITO), claimed that the Company failed to fully discharge its minimum tax liability on turnover u/s 113(1)(e) of ITO for tax year 2020. The ACIR conveyed his intention to amend Company's assessment for tax year 2020, with additional tax demand of Rs. 30,360,925/-. The Company has contended this claim as being exempt from tax under clause 126 E, Part I, 2nd Schedule of ITO, for a period of ten years starting from the date of commencement of commercial production.

Based on the view of its legal counsel, the Company is confident of favorable outcome of the matter and has not recorded any provision in this respect in these financial statements.

- iii) The banks have issued guarantees on Company's behalf in favour of Director Excise and Taxation, Karachi and Faisalabad Electric Supply Company aggregating to Rs 132.943 million (December 31, 2021: Rs 115.443 million).
- iv) Post dated cheques issued to Collector of Customs for custom duties on imports amounting to Rs 850.210 million (2021: Rs 777.606 million).

4.2 Commitments

- i) Letters of credit for capital expenditure amounting to Rs 415.441 million (2021: 44.395 million).
- ii) Letter of credits (LCs) other than for capital expenditure amounting to Rs 1,935.956 million (2021: Rs 1,080.879 million).
- iii) The Company has commitment in respect of short term lease rentals against properties amounting to Rs 0.71 million (2021: Rs 0.71 million).

	Note	Un-audited March 31, 2022	Audited December 31, 2021
----- Rupees -----			
5. Property, plant and equipment			
Operating fixed assets	5.1	5,692,567,607	5,750,729,137
Capital work in progress		1,160,637,481	924,732,289
		6,853,205,088	6,675,461,426
5.1 Operating fixed assets			
Opening book value		5,750,729,137	5,967,110,556
Additions during the period / year		314,834	26,669,407
Disposals during the year		-	(8,604,807)
Depreciation charged for the period / year		(58,476,364)	(234,446,019)
Closing book value		5,692,567,607	5,750,729,137

		Un-audited Three months ended	
		March 31, 2022	March 31, 2021
		----- Rupees -----	
6.	Sales		
	Local	1,993,000,170	1,328,478,679
	Export	921,998,798	780,674,759
		2,914,998,968	2,109,153,438
	Sales tax	(291,184,058)	(193,466,145)
		2,623,814,910	1,915,687,293
7.	Cash flow from operating activities		
	Profit before taxation	627,268,707	456,906,793
	Adjustments for:		
	Depreciation on property, plant and equipment	58,476,364	62,439,138
	Amortization of intangible assets	256,645	392,752
	Finance costs	95,503,230	59,981,486
	Loss on derivative financial instruments	(23,519,872)	-
	Income on short term investments and bank deposits	(37,533,093)	-
	Exchange (gain) / loss	(6,804,724)	13,762,494
		713,647,257	593,482,663
	Effect on cash flow due to working capital changes:		
	(Increase) / decrease in stores and spares	27,723,604	(17,735,879)
	(Increase) / decrease in stock in trade	474,657,845	(156,669,639)
	Increase in trade debts	(434,775,909)	(313,179,270)
	(Increase) / decrease in advances, deposits, prepayments and other receivables	(32,132,347)	(33,943,708)
	Increase in trade and other payables	171,287,090	819,321,119
		206,760,283	297,792,623
	Cash generated from operations	920,407,540	891,275,286
7.1	Cash and cash equivalents		
	Short-term borrowings - secured	(1,376,566,992)	(340,950,782)
	Short-term investment	2,024,652,999	150,003,621
	Cash and bank balances	303,675,366	(30,090,445)
		951,761,373	(221,037,606)

Un-audited
Three months ended
March 31, March 31,
2022 2021

----- Rupees -----

8. Transactions with related parties

Relationship with the Company	Nature of transaction		
Liberty Mills Limited (Group Company)	Expenses paid on behalf of the Group Company	-	33,500
Provident Fund	Expenses charged in respect of Provident Fund Contribution	5,574,577	4,732,776

9. Date of authorisation for issue

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on April 21, 2022.

Chief Executive Officer

Chief Financial Officer

Director

ڈائریکٹرز جائزہ رپورٹ

انتہائی مسرت کے ساتھ بورڈ آف ڈائریکٹرز کمپنی کی غیر آڈٹ شدہ ماہی مالیاتی دستاویزات اختتامیہ 31 مارچ 2022 آپکی خدمت میں پیش کرتے ہیں۔

جائزہ برائے کارکردگی

کلی معاشی مسائل اور افراط زر کے دباؤ کے باوجود آپکی کمپنی کی جانب سے مالی سال 2022 کی پہلی سہ ماہی کے دوران بہترین کارکردگی کا مظاہرہ کرتے ہوئے بعد از ٹیکس 611 ملین روپے کا منافع کمایا گیا ہے۔ اس قابل ستائش کارکردگی کی جھلک ہمیں فی حصص آمدن 1.69 روپے برائے سہ ماہی اختتامیہ 31 مارچ 2022 میں نظر آتی ہے۔

کارکردگی کو مؤثر بنانے پر اپنی تمام تر توجہ مرکوز کرتے ہوئے، آپکی کمپنی کی جانب سے ایک نیا سنگ میل عبور کیا گیا ہے 'تجم برائے فروخت اور منافع کی شرح' نمودوں ہی اعتبار سے کمپنی کی جانب سے سہ ماہی کے دوران بہترین کارکردگی کا مظاہرہ کیا گیا ہے۔ زیر نظر عرصے کے دوران آپکی کمپنی کی جانب سے گزشتہ مالی سال کے اسی عرصے کے مقابلے میں اپنی برآمدات اور مقامی فروخت میں بالترتیب 18% اور 50% کا اضافہ کیا گیا ہے۔

سہ ماہی اختتامیہ 31 مارچ 2022 سے متعلق مالیاتی نتائج کا خلاصہ ذیل میں پیش کیا جا رہا ہے:

روپے ملین میں

2,624

فروخت

864

خام منافع

627

منافع قبل از ٹیکس

611

منافع بعد از ٹیکس

1.69

آمدن فی حصص (روپے)

پیدواری گنجائش میں توسیع

ریٹائرمنٹ کی سالانہ پیدوار کو 700 ملین کیسز سے بڑھا کر 950 ملین کیسز سالانہ تک لے جانے کیلئے توسیعی پروجیکٹ خاطر خواہ رفتار سے آگے بڑھ رہا ہے اور امید ہے کہ مالی سال 2022 کی دوسری سہ ماہی کے اختتام تک یہ پروجیکٹ کام شروع کر دے گا۔ توسیعی منصوبے کی تکمیل کے بعد کمپنی اس قابل ہو جائے گی کہ مقامی اور بین الاقوامی سطح پر ایلو مینیم پیورٹیج کیسز کی بڑھتی ہوئی طلب کو پورا کر سکے۔

مستقبل پر نظر

آپکی کمپنی کا بورڈ آف ڈائریکٹرز اور انتظامیہ اس بات کیلئے پر عزم ہے کہ کمپنی کی مالیاتی کارکردگی کو بہتر بنانے کیلئے اپنی بھرپور توجہ اس جانب مرکوز رکھی جائے۔ مالی سال 2022 کے دوران اضافی پیدواری صلاحیت کے حصول کے بعد ہمیں امید ہے کہ کمپنی کو فروخت سے حاصل ہونے والی آمدن میں اضافہ ہو گا، کمپنی کا منافع بہتر ہو گا اور حصص داران کی سرمایہ کاری کی قدر میں بھی اضافہ ہو گا۔

کمپنی کی جانب سے مختلف النوع ذرائع کی جانب توجہ گامزن کی جارہی ہے اور اپنی برآمدات کو بڑھانے کے سلسلے میں جنوبی ایشیاء، مشرق وسطیٰ اور افریقی ممالک کا رخ کیا جا رہا ہے اس کے ساتھ ساتھ افغانستان میں اپنے مارکیٹ شیئر کو برقرار رکھنے پر بھی توجہ مرکوز ہے۔ کمپنی کو بڑھتی ہوئی شرح سود، افراط زر کے بڑھتے ہوئے رجحان اور سلائی چین کے متاثر ہونے جیسے خطرات لاحق ہیں، یہ تمام مسائل عالمی سطح کے ہیں اور کمپنی کی جانب سے ان خطرات کو کم از کم کرنے کیلئے تمام اقدامات اٹھائے جا رہے ہیں۔

اظہار تشکر

اس موقع سے فائدہ اٹھاتے ہوئے ہم اپنے تمام حصص داران، صارفین، ملازمین، ترسیل کاروں، بینکاروں اور شرکاء کے تہہ دل سے شکر گزار ہیں کہ کمپنی کو ان کی حمایت، ان کا اخلاص اور اعتماد ہمیشہ حاصل رہا۔

منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو

مؤرخہ 21 اپریل 2022

SHARE TRADING DETAILS

FOR THE THREE MONTHS ENDED MARCH 31, 2022

Name	Date	Nature	No. of shares	Rate
Azam Sakrani Director / CEO	February 4, 2022	Buy	5,000	32.73
Azam Sakrani Director / CEO	February 14, 2022	Buy	5,000	32.00



PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

Plot 29-30 Main Boulevard
M-3 Industrial City Sahianwala, Faisalabad
Tel: (+92)-41-8731364
Email: info@pkbevcan.com