



PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED



PABC

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BEVERAGE CANS LIMITED

3RD QUARTERLY REPORT
SEPTEMBER 30, 2022



PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

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COMPANY INFORMATION

Board of Directors

- Mr. Simon Michael Gwyn Jennings (Chairman/Non Executive Director)
- Mr. Asad Shahid Soorty (Non Executive Director)
- Mr. Muhammad Jawaid Iqbal (Independent Director)
- Mr. Zain Ashraf Mukaty (Non Executive Director)
- Ms. Hamida Salim Mukaty (Non Executive Director)
- Mr. Saleem Parekh (Independent Director)
- Mr. Azam Sakrani (Chief Executive Officer / Executive Director)

Audit Committee

- Mr. Muhammad Jawaid Iqbal (Chairman)
- Mr. Asad Shahid Soorty
- Mr. Zain Ashraf Mukaty

Human Resource and Remuneration Committee

- Mr. Saleem Parekh (Chairman)
- Mr. Simon Michael Gwyn Jennings
- Mr. Zain Ashraf Mukaty

Company Secretary

- Mr. Muhammad Iqbal

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

- Kreston Hyder Bhimji & Company 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.

Web Site

- www.pkbevcan.com

DIRECTORS' REVIEW

The Directors of the Pakistan Aluminium Beverage Cans Limited (the "Company") are pleased to submit the unaudited financial statements of your Company for the quarter and nine months ended September 30, 2022.

Business Performance Review

Considering the economic challenges arising from the global and domestic geopolitical situation, your Company has demonstrated consistent and positive performance during the period under review (January - September 2022). During the nine months ended September 30, 2022, the net sales increased by Rs. 5.10 billion to reach Rs. 10.85 billion i.e. 88.79% in comparison with the corresponding period last year. The sales growth is due to currency devaluation and metal price increases, as well as volumetric sales growth. This performance has translated into Earnings per Share of Rs. 6.83 for nine months ended September 30, 2022. The gross profit during the period under review stood at 34.11%, compared to 34.92% during corresponding period last year. The profit after tax has increased by Rs. 1,274 million to reach Rs. 2,468 million, an increase of 106.66%, compared to corresponding period last year.

The Company had made provision of current taxation on the basis of minimum tax liability and final tax under the Income Tax Ordinance, 2001 which is applicable during the period.

Summarized Financial Results

The operating results of the Company are summarized as follows:

Operating Results

	Period Ended September 30,		
	2022	2021	Variance
	(Rs. in Million)		
			%
Sales -net	10,851	5,748	88.79%
Gross Profit	3,701	2,007	84.38%
Profit before Tax	2,623	1,225	114.13%
Less: Tax Expense	155	31	405.19%
Profit after Tax	2,468	1,194	106.66%
Earnings per share - basic and diluted (Rs.)	6.83	3.31	106.66%



Future Outlook

The global economic conditions remain turbulent as we face an energy crisis, rising fuel costs, erratic commodity and other input costs and a difficult market. The domestic economy is also facing inflationary pressures, currency volatility and political uncertainty. However, despite these challenges, the Company continues to seek opportunities in Central and South Asian markets to enhance its sales. The management of the company is aware of the risks and economic situation and is taking prudent measures to effectively manage these challenges.

The Management continues to strive to improve performance of your Company to ensure continued growth and enhancement of shareholders' value.

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

26th October, 2022



Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

	Un-audited September 30, 2022	Audited December 31, 2021
Note		
	----- 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	2,225,400,897	299,426,785
	6,646,524,232	4,720,550,120
Non-current liabilities		
Long term loans - secured	3,106,672,237	2,638,719,631
Deferred tax liability	615,720,465	546,866,996
	3,722,392,702	3,185,586,627
Current liabilities		
Current portion of non-current liabilities	570,361,682	568,099,866
Short-term borrowings - secured	1,867,205,280	2,250,768,169
Trade and other payables	2,532,671,224	1,310,052,046
Derivative financial instruments	-	94,760,714
Accrued finance cost	171,900,604	37,569,008
	5,142,138,790	4,261,249,803
Contingencies and commitments	4	-
	15,511,055,724	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

	Un-audited September 30, 2022	Audited December 31, 2021
Note		
	----- Rupees -----	

ASSETS**Non-current assets**

Property, plant and equipment	5	6,892,596,056	6,675,461,426
Intangible assets		-	781,427
Long term deposits		2,649,900	999,120
		6,895,245,956	6,677,241,973

Current assets

Stores and spares	307,834,525	377,726,932
Stock in trade	1,947,887,871	2,252,530,303
Trade debts	1,590,618,937	560,786,974
Advances, deposits, prepayments and other receivables	2,585,950,505	114,907,705
Income tax refundable	28,641,685	81,560,033
Short-term investments	1,576,331,761	1,860,231,633
Cash and bank balances	578,544,484	242,400,997
	8,615,809,768	5,490,144,577

15,511,055,724	12,167,386,550
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Chief Executive Officer



Chief Financial Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Note	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- Rupees -----				
Sales - net	6 4,341,049,233	1,921,247,814	10,850,718,096	5,747,597,984
Cost of sales	(2,959,056,641)	(1,263,974,993)	(7,149,806,411)	(3,740,415,493)
Gross profit	1,381,992,592	657,272,821	3,700,911,685	2,007,182,491
Administrative expenses	(109,750,805)	(61,559,161)	(256,460,998)	(155,532,092)
Selling and distribution expenses	(159,137,538)	(29,963,002)	(287,889,275)	(88,159,076)
Other operating incomes	53,588,982	10,825,795	179,450,087	15,922,561
Other operating expenses	(88,320,087)	(109,893,325)	(374,774,115)	(348,299,893)
Finance costs	(140,497,239)	(66,869,967)	(338,706,128)	(206,395,608)
Profit before taxation	937,875,905	399,813,161	2,622,531,256	1,224,718,383
Taxation	(47,011,855)	(5,345,021)	(154,894,763)	(30,660,972)
Profit for the period	890,864,050	394,468,140	2,467,636,493	1,194,057,411
Earnings per share				
- basic and diluted (Rupees)	2.47	1.09	6.83	3.31

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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended September 30, 2022	September 30, 2021	Nine months ended September 30, 2022	September 30, 2021
	----- Rupees -----			
Profit for the period	890,864,050	394,468,140	2,467,636,493	1,194,057,411
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	890,864,050	394,468,140	2,467,636,493	1,194,057,411

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 NINE MONTHS ENDED SEPTEMBER 30, 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 September 30, 2021				
- Profit for the period	-	-	1,194,057,411	1,194,057,411
- Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,194,057,411	1,194,057,411
Balance as at September 30, 2021 (un-audited)	3,611,082,540	810,040,795	(83,102,473)	4,338,020,862
Balance as at December 31, 2021 (audited)	3,611,082,540	810,040,795	299,426,785	4,720,550,120
Transaction with owners	-	-	-	-
Final dividend for the year ended December 31, 2021	-	-	(541,662,381)	(541,662,381)
Total comprehensive income for the period ended September 30, 2022				
- Profit for the period	-	-	2,467,636,493	2,467,636,493
- Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,467,636,493	2,467,636,493
Balance as at September 30, 2022 (un-audited)	3,611,082,540	810,040,795	2,225,400,897	6,646,524,232

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 NINE MONTHS ENDED SEPTEMBER 30, 2022

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Un-audited Nine months ended September 30, 2022	September 30, 2021
	Note		
		----- Rupees -----	
Cash flows from operating activities			
Cash generated from operations	7	1,134,332,970	1,319,509,995
Finance cost paid		(204,374,532)	(180,933,423)
Taxes paid		(33,122,944)	(21,283,645)
Long term deposits		(1,650,780)	-
Net cash generated from operating activities		895,184,714	1,117,292,927
Cash flows from investing activities			
Fixed capital expenditure		(419,512,755)	(41,822,460)
Investment in Term deposit receipts		(125,421,367)	-
Net cash used in investing activities		(544,934,122)	(41,822,460)
Cash flows from financing activities			
Repayment of long-term loans - secured		(412,757,188)	(245,825,561)
Proceeds from long term loans - secured		882,971,610	234,388,300
Dividends paid		(541,662,381)	-
Net cash generated from / (used in) financing activities		(71,447,959)	(11,437,261)
Net increase in cash and cash equivalents		278,802,632	1,064,033,206
Cash and cash equivalents at the beginning of the period		(218,367,172)	(1,054,713,215)
Effects of exchange rate changes on cash and cash equivalents		31,582,505	3,271,795
Cash and cash equivalents at the end of the period	7.1	92,017,965	12,591,786

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 NINE MONTHS ENDED SEPTEMBER 30, 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 International Accounting Standard 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 do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the Company's 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 except following:
- 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 provisions 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, Sui Northern Gas Pipeline Limited and Faisalabad Electric Supply Company aggregating to Rs 212.742 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 1,288.556 million (2021: Rs 777.606 million).

4.2 Commitments

- i) Letters of credits for capital expenditure amounting to Rs 116.156 million (2021: 44.395 million).
- ii) Letter of credits (LCs) other than for capital expenditure amounting to Rs 2,563.665 million (2021: Rs 1,080.879 million).
- iii) The Company has commitment in respect of short term lease rentals against properties amounting to Rs 0.79 million (2021: Rs 0.71 million).

Note	Un-audited September 30, 2022	Audited December 31, 2021
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----- Rupees -----

5. Property, plant and equipment

Operating fixed assets	5.1	6,789,427,251	5,750,729,137
Capital work in progress		103,168,805	924,732,289
		6,892,596,056	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	1,241,076,239	26,669,407
Disposal during the year	-	(8,604,807)
Depreciation charged for the period / year	(202,378,125)	(234,446,019)
Closing book value	6,789,427,251	5,750,729,137

		Un-audited Nine months ended	
		September 30, 2022	September 30, 2021
		----- Rupees -----	
6.	Sales		
	Local	8,056,462,112	4,225,522,188
	Export	3,967,393,731	2,151,176,086
		12,023,855,843	6,376,698,274
	Sales tax	(1,173,137,747)	(629,100,290)
		10,850,718,096	5,747,597,984
7.	Cash flow from operating activities		
	Profit before taxation	2,622,531,256	1,224,718,383
	Adjustments for:		
	Depreciation on property, plant and equipment	202,378,125	175,390,411
	Amortization of intangible assets	781,427	954,065
	Finance costs	338,706,128	206,395,608
	Loss allowance on trade debts	3,660,777	3,119,694
	Provision for slow moving stores and spares	101,316,043	-
	Exchange (gain) / loss	94,142,720	99,560,144
		3,363,516,476	1,710,138,305
	Effect on cash flow due to working capital changes:		
	(Increase) in stores and spares	(31,423,636)	(25,971,434)
	decrease / (increase) in stock in trade	304,642,432	(252,176,121)
	(Increase) in trade debts	(1,033,492,740)	(431,166,434)
	(Increase) in advances, deposits, prepayments and other receivables	(2,471,042,800)	(266,813,155)
	Increase in trade and other payables	1,002,133,238	585,498,834
		(2,229,183,506)	(390,628,310)
	Cash generated from operations	1,134,332,970	1,319,509,995
7.1	Cash and cash equivalents		
	Short-term borrowings - secured	(1,867,205,280)	(542,000,000)
	Short-term investment	1,380,678,761	353,500,000
	Cash and bank balances	578,544,484	201,091,786
		92,017,965	12,591,786

Un-audited
Nine months ended
September 30, 2022 September 30,
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	-	829,155
Provident Fund	Expenses charged in respect of Provident Fund Contribution	8,370,121	7,304,606

9. Date of authorisation for issue

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on October 26, 2022.



Chief Executive Officer



Chief Financial Officer



Director

ڈائریکٹرز کا جائزہ:

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی اور نو ماہ کے لیے مختصر عبوری مالیاتی معلومات پیش کر رہے ہیں۔

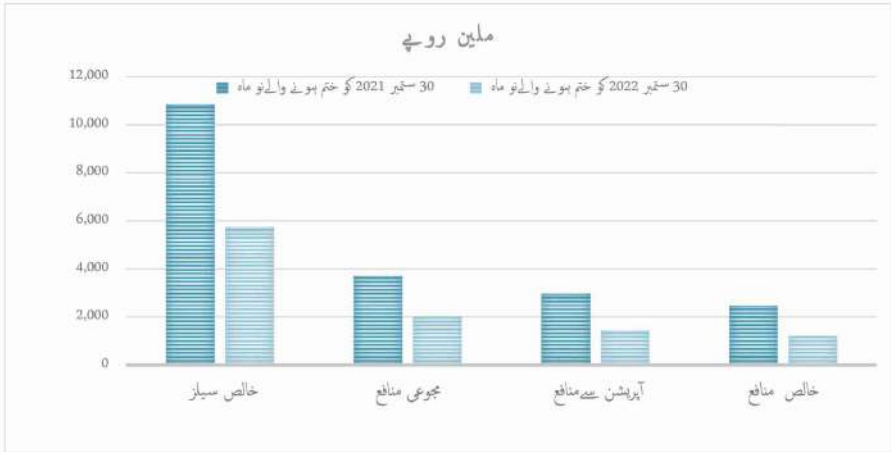
کاروباری کارکردگی کا جائزہ:

ملکی اور عالمی جیو پالیٹیکل صورت حال سے پیدا ہونے والے معاشی چیلینجز کے باوجود، آپ کی کمپنی نے زیر جائزہ مدت (جنوری تا ستمبر 2022ء) کے دوران مثبت کارکردگی کا تسلسل برقرار رکھا ہے۔ 30 ستمبر 2022ء کو ختم ہونے والے نو ماہ کے دوران خالص سیلز میں پچھلے سال اس مدت کے مقابلے میں 5.10 ارب روپے کا اضافہ ہوا ہے۔ سیلز میں اضافے کی بنیادی وجہ کرنسی کی قدر میں کمی اور دھاتوں کی قیمت اور کچھ حد تک سیلز حجم میں اضافہ ہے۔ اس نو ماہ میں کمپنی نے 10.85 ارب روپے کی سیلز کی جو کہ پچھلے سال اس مدت کے مقابلے میں 88.79% زیادہ ہے۔ اس کارکردگی کی وجہ سے زیر جائزہ مدت کے دوران فی حصص آمدنی 6.83 روپے رہی۔ زیر جائزہ مدت کے دوران مجموعی منافع 34.11% رہا، جو کہ پچھلے سال کی اس مدت کے دوران 34.92% تھا۔ زیر جائزہ مدت میں بعد از ٹیکس منافع 2,468 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 1,274 ملین (یعنی 106.66%) کا اضافہ ہے۔ کمپنی نے انکم ٹیکس آرڈیننس 2001 کے تحت کم از کم واجبات اور حتی ٹیکس کی بنیاد پر موجودہ ٹیکس یک کیا ہے، جو کہ اس مدت کے دوران لاکھ ہوتا ہے۔

مالیاتی نتائج کا خلاصہ:

کمپنی کے کاروباری نتائج کا خلاصہ درج ذیل ہے۔

	30 ستمبر کو ختم ہونے والے نو ماہ		
	2022ء	2021ء	فرق
	ملین روپے		%
خالص سیلز	10,851	5,748	88.79%
مجموعی منافع	3,701	2,007	84.38%
منافع قبل از ٹیکس	2,623	1,225	114.13%
کم: ٹیکس کا خرچ	155	31	405.19%
بعد از ٹیکس منافع	2,468	1,194	106.66%
فی حصص آمدنی - (روپے)	6.83	3.31	106.66%



مستقبل کا نقطہ نظر :

توانائی کے بحران ، ایندھن اور اجناس کی بڑھتی ہوئی قیمتوں، اور دیگر خام مال میں اضافے کی وجہ سے عالمی معیشت مشکل دور سے گزاری رہی ہے ۔ ملکی معیشت کو بھی افراط زر کے دباؤ ، کرنسی کے اتار چڑھاؤ اور سیاسی بے یقینی کا سامنا ہے ۔ ان چیلنجز کے باوجود کمپنی اپنی سیلز کو بڑھانے کے لیے نئے خطوں میں بالخصوص وسطی اور جنوبی ایشیا میں مواقع تلاش کر رہی ہے ۔ کمپنی کی انتظامیہ خطرات اور معاشی صورتحال سے پوری طرح آگاہ ہے اور ان چیلنجز کو مؤثر طریقے سے سنبھالنے کے لیے تمام ضروری اقدامات کر رہی ہے ۔

انتظامیہ آپ کی کمپنی کی کارکردگی کو بہتر بنانے کی خواہشمند ہے تاکہ حصص داران کی قدر میں مسلسل ترقی اور اضافے کو یقینی بنایا جاسکے ۔

اظہار تشکر :-

اس موقع سے فائدہ اٹھاتے ہوئے ہم اپنے تمام حصص داران، صارفین ، ترسیل کاروں ، بینکاروں اور شراکت داروں کے تہ دل سے شکر گزار ہیں کہ کمپنی کو ان کی حمایت، خلوص اور اعتماد حاصل ہے ۔

ڈائریکٹر

چیف ایگزیکٹو
26-اکتوبر-2022



PABC

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