



TRUSTED NOT TO COMPROMISE

The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Karachi

July 06, 2023

**SUBJECT: PUBLICATION OF NOTICE OF CREDIT AND DISPATCH OF 2ND
INTERIM BONUS SHARES OF 10% OF PAKISTAN CABLES LIMITED**

Dear Sir,

Please find enclosed herewith one copy each of today's Newspaper i.e. the Business Recorder (English) and Daily Dunya (Urdu) in which the Notice of Credit and Dispatch of 2nd Interim Bonus shares of 10% of Pakistan Cables Limited has been published.

Your faithfully,

Pre Pro Pakistan Cables Limited

Natasha Mohammad
Head of Legal Affairs and Company Secretary

BRIEF RECORDINGS & NEWS

NetSol Technologies Limited

NetSol Technologies Limited (PSX: NETSOL) was incorporated in Pakistan as a private limited company in 2006 and was later converted into a public limited company. The company is engaged in the development and sale of computer software and services locally as well as internationally.

Pattern of Shareholding
As of June 30, 2022, the company has a total of 67,836 million shares outstanding which are held by 7245 shareholders. NetSol Technologies Inc. which is the holding company of NETSOL, has a major shareholding of 67.62 percent in the company. This is followed by local general public holding 23.14 percent shares. Public sector companies account for 4.11 percent of the outstanding shares of the company. Directors, CEO, their spouse and minor children hold 1.22 percent shares of NETSOL, while Banks, DFIs and NBFIs have a stake of 1.18 percent in the company. The remaining share is held by other categories of shareholders.

Historical Performance (2018-22)
NETSOL's topline posted a year-on-year decline in 2020. In the remaining years under consideration, the topline rode an upward trajectory. The bottomline remained stable in 2020 and 2021 but it posted a plunge but rebounded staggeringly in 2022. The gross profit margin which had been dropping since 2020 showed signs of improvement in 2021, however, tumbled again in 2022. Conversely, operating profit and net profit margin kept climbing since 2021 and recovered in 2022. The detailed performance of each of the years under consideration is given below.

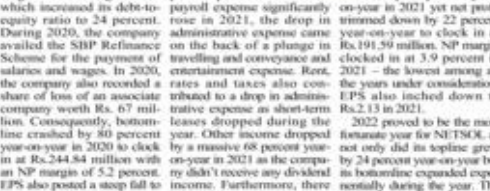
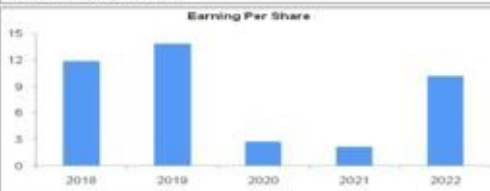
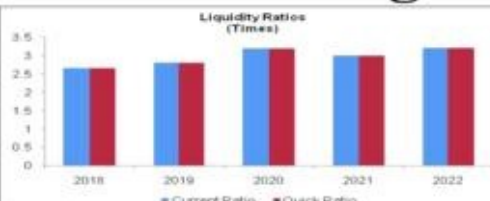
In 2019, NETSOL's topline grew by 26 percent year-on-year which came on the back of global implementation of its flagship product NFS Ascent. The implementation of NFS Ascent in China was the largest implementation of NETSOL to date. As of 2019, 99.8 percent of NETSOL's total revenue in 2019 came from its national market. The cost of revenue jumped up by 40 percent year-on-year in 2019 which largely includes payroll expense followed by marketing and conveyance charges. While gross profit grew by 8 percent year-on-year in 2019 but GP margin plummeted from 45 percent in 2018 to 39 percent in 2019. NETSOL's distribution expense grew by 17 percent year-on-year in 2019 while its administrative expense inched up by 1 percent. The main growth propellers in the operating expense category were salaries and benefits along with R&D expense. The company made a tremendous 70 percent year-on-year growth in its

other income on account of exchange gain as it drives its major revenue from outside Pakistan. Other expense dramatically came up by 30 million in 2018 to Rs.261.83 million in 2019, signifying a jump of around 60 times due to R&D cost. While operating profit grew by 17 percent year-on-year in 2019, OP margin dipped from 27 percent in 2018 to 25 percent in 2019. The company generally finances its operations through equity finance which are evident by the fact that its finance cost as a percentage of its topline stays under 1 percent in all the years under consideration. NETSOL's debt-to-equity ratio stood at 16.8 percent in 2019. Finance cost stood at Rs.124.48 million with an NP margin of 23 percent in 2018. EPS also grew by 24 percent in 2018 to Rs.11.87 in 2018 to Rs.13.84 in 2019.

In 2020, NETSOL's topline slumped by 13 percent year-on-year. The main reason behind the major milestones in 2020 which includes a major American multinational automaker which went live in China with NFS Ascent's Retail Platform. Besides, the company also deployed its NFS Ascent in Hong Kong and Malaysia for a leading German car company. However, the drop in sales came on account of on-site services which came to a standstill on the back of COVID-19 related lockdowns and travel restrictions. Cost of sales also slumped by 5 percent year-on-year mainly on a drop in signing on new deals with customers in 2020 as finalized contracts with leading blue-chip organizations locally and globally in 2019. The implementation of NFS Ascent in China was the largest implementation of NETSOL to date. As of 2019, 99.8 percent of NETSOL's total revenue in 2020 came from its national market. The cost of revenue jumped up by 40 percent year-on-year in 2019 which largely includes payroll expense followed by marketing and conveyance charges. While gross profit grew by 8 percent year-on-year in 2019 but GP margin plummeted from 45 percent in 2018 to 39 percent in 2019. NETSOL's distribution expense grew by 17 percent year-on-year in 2019 while its administrative expense inched up by 1 percent. The main growth propellers in the operating expense category were salaries and benefits along with R&D expense. The company made a tremendous 70 percent year-on-year growth in its

long-term financing in 2020 which increased its debt-to-equity ratio to 24 percent. During 2020, the company executed the SBP Refinance Scheme for the payment of salaries and wages. In 2020, the company also recorded a share of loss of an associate company worth Rs. 67 million. Consequently, bottomline crashed by 80 percent year-on-year in 2020 to clock in at Rs.244.84 million with NP margin of 5.2 percent. EPS also posted a steep fall to stand at Rs.2.73 in 2020.

In 2021, NETSOL's topline posted a marginal 5 percent year-on-year growth. The license revenue mainly came on the back of provision of license to the sister concern's share of revenue. The cost of sales rose in 2021 mainly due to high payroll expense. Other income dropped by 49 percent year-on-year in 2020 due to 90 percent drop in exchange gain on the back of a huge decline in export revenue. This was partially offset by handsome dividend income from NFS Ascend in Malaysia (Private) Limited. Other expense grew by 16 percent year-on-year in 2020. While R&D expense dropped, the company booked huge provision against doubtful debts in 2020. Operating profit shrank by 62 percent year-on-year in 2020 with GP margin falling down to 11 percent. Finance cost grew by 22 percent year-on-year in 2020 due to increase on short-term and



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BR Sectoral & KSE 100 Indices as on 05-07-2023



Israel ends large-scale West Bank raid that left 13 dead

JENIN (Palestine): Israel's army on Wednesday declared the end of a large-scale military operation in the occupied West Bank that killed 13 Palestinians and injured 115 others, including children, Israeli officials said.

The raid, involving hundreds of forces, drove strikes and armored bulldozers, targeted the northern West Bank city of Jenin, a centre for multiple armed Palestinian groups.

Thousands of Palestinian mourners joined a Jenin funeral procession for those killed, where militants fired gunshots into the air and the crowd chanted "With our souls and blood, we will sacrifice for you, martyr!"

Amid the days of violence, a Palestinian attacker in Tel Aviv on Tuesday wounded seven Israelis in a car rammage and stabbing attack before an armed civilian shot him dead.

And overnight, Israel carried out air strikes on targets inside the blockaded Gaza Strip in response to rocket fire from the Palestinian coastal enclave, which has no deaths reported.

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Britain's Afghan probe investigating UK special forces: minister

LONDON: Britain's defence minister on Wednesday said allegations of unlawful killings in Afghanistan being examined by an independent inquiry relate to a 2017 probe.

The inquiry which opened in March "now reaching the stage of substantive hearings, and I can confirm that 177 allegations relate to the conduct of UK Special Forces". Ben Wallace told parliament in a written statement. The inquiry is looking at a number of detention operations between 2010 and 2013 and how allegations of wrongdoing were investigated by military police, in particular whether there were any cover-ups.

Haddon-Cave said on Wednesday that he had recently visited the office of the prosecutor at the International Criminal Court in The Hague, although he did not elaborate.

PUBLIC AUTION
BEFORE MR. NASIR HUSSAIN (I.A.S.) (JUDGE) IN THE BANKING COURT, AT KARACHI
BLOCK NO. C-5, SEC 5, EASTERN BUILDING, KARACHI.
Date: 05-07-2023

NOTICE OF CREDIT AND DISPATCH OF 10% BONUS SHARES OF PAKISTAN CABLES LIMITED
We are pleased to inform the shareholders that Bonus Shares of Rs. 10/- each in the ratio of 10 ordinary shares for every 100 ordinary shares held i.e. 10% as approved by the Board of Directors in its meeting held on June 16, 2023, have been allotted directly into sub-accounts of the shareholders maintaining their shareholding in the book-entry form in the Central Depository Company of Pakistan Limited (CDC) on Monday, June 26, 2023.

Furthermore, Bonus Share Certificates have been dispatched to the shareholders maintaining their shareholding in physical form to their registered addresses on Wednesday, July 26, 2023. In case of non-receipt, please contact our Share Registrar, TRK Associates (Pvt.) Limited, at Plot No. 32-C, Jami Commercial Street 2, Phase-VI, D.H.A., Karachi-75500, Pakistan. Phone: (92-21) 111-000-322, Fax: (92-21) 35310191. Email: BR@TRK.COM.PK

Note: Those Shareholders who have not provided their valid updated CNIC and correspondence address are requested to update their CNIC number and address in the record of our Share Registrar by providing a legible copy of their valid CNIC.

Further, all physical Shareholders are requested to provide valid share account details in the "Shareholder's Alternate Form" as available on the Company's website <https://www.pakistancables.com/Investor/21208/update-of-data> or by e-mail to investor@pakistancables.com along with a copy of their valid CNIC. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank transfer information directly to the relevant participant/CDC Investor Account Services.

Natasha Mohammad
Head of Legal Affairs and Company Secretary

