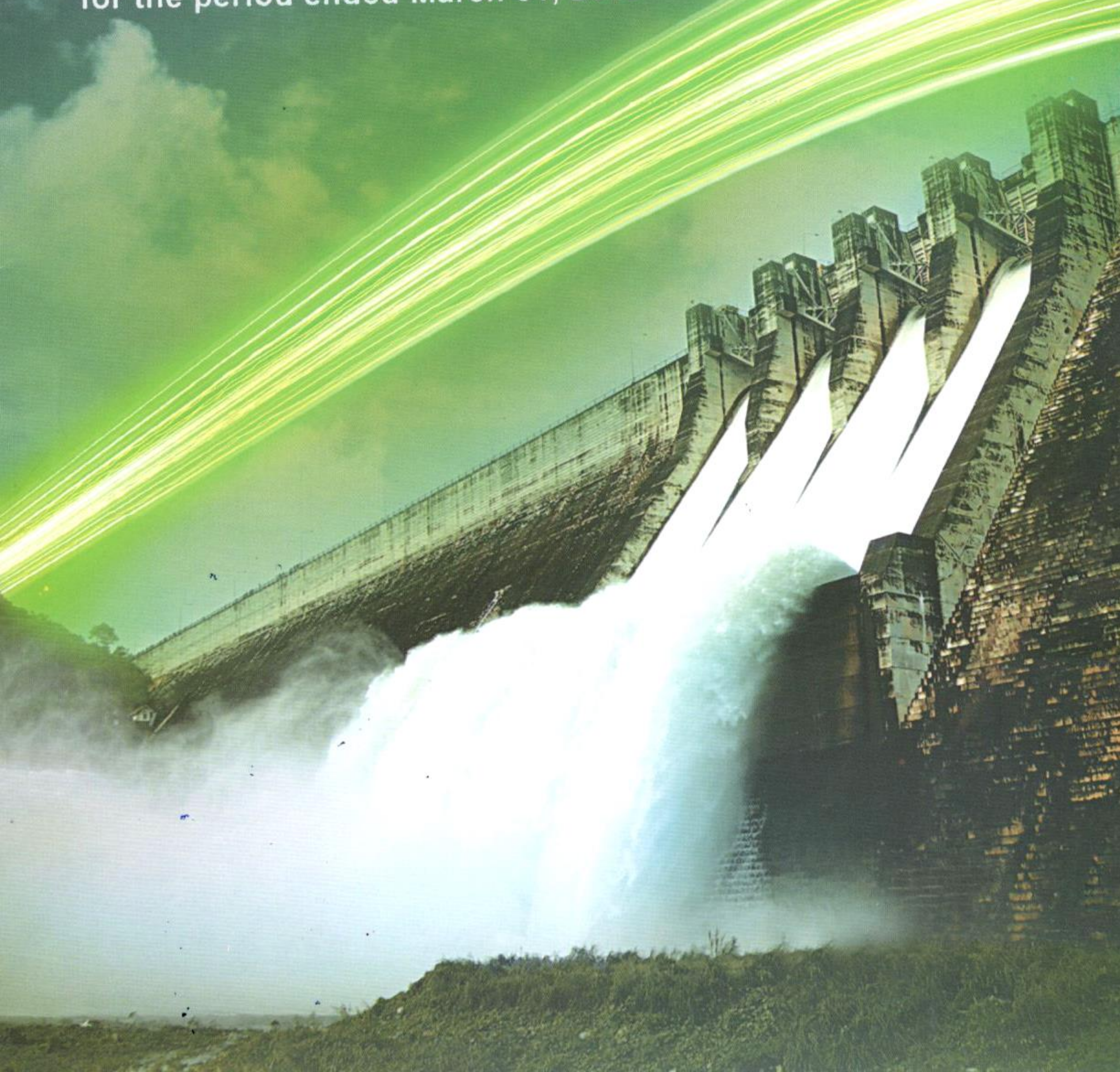
PAKISTAN CABLES

TRUSTED NOT TO COMPROMISE

65 YEARS SINCE 1953

65 YEARS OF LEADERSHIP

Quarterly Accounts
for the period ended March 31, 2019



Per Pro Pakistan Cables Limited

Director Director

COMPANY INFORMATION

Board of Directors
Mr. Mustapha A. Chinoy Chairman
Mr. Haroun Rashid
Mr. Mohammad Younus Dagha
Mr. Roderick Macdonald
Ms. Sadia Khan
Mr. Saquib H. Shirazi
Mr. Kamal A. Chinoy Chief Executive
Mr. Fahd Kamal Chinoy
Mr. Muhammad Ashfaq Alam

Company Secretary
Ms. Nazifa Khan

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

DIRECTORS' REVIEW

Sales for the nine-month period ended March 31, 2019 at Rs. 7.3 billion is 6% higher than sales for the same period of last year. Gross profit was recorded at Rs. 917.4 million for the nine months compared to Rs. 901.5 million in the same period of last year.

Selling, Marketing and Administrative expenses and impairment loss on doubtful trade debts are Rs. 582.6 million compared to Rs. 522.5 million. The increase is mainly due to higher expenses on account of advertising and publicity. Finance cost for the nine-month period are Rs. 127.0 million compared to Rs. 98.9 million in the same period of last year. The rise in finance cost is a result of the increase in interest rates by the State Bank of Pakistan.

As a result of the above factors, the Company ended with a profit after tax for the nine-month period of Rs. 180.9 million compared to a profit after tax of Rs. 226.0 million in the same period of last year.

The overall market environment continued to show signs of growing challenges. With a slow-down in construction activity and a sharp decline in Government expenditure under the Public Sector Development Programme, the demand for wire and cable has slowed down. Moreover, with a cloud of uncertainty prevailing around further devaluation of the rupee and additional steps that are expected under the long-anticipated IMF program, there is no immediate respite expected. There have been recent indications of a further slow down with both the World Bank and IMF indicating future GDP growth rates below 3%. The cost of business has increased due to an increase in interest rates, gas and electricity prices. As a result of the above factors, the Company is emphasizing upon various cost control initiatives and efforts are underway to drive improved efficiencies via several programs underway to enhance productivity.

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 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 25, 2019

ڈائریکٹرز کی جائزہ رپورٹ

31 مارچ، 2019ء کو اختتام پذیر نو ماہی کے لئے فروخت کا حجم 7.3 بلین روپے تھا جو گذشتہ برس میں اسی مدت کے لئے 6 فی صد زائد تھا۔ گذشتہ سال کی اسی مدت میں 901.5 ملین روپے کے مقابلہ میں 917.4 ملین روپے مجموعی منافع ریکارڈ ہوا۔

فروخت، تشہیری اور انتظامی اخراجات اور مشکوک تجارتی قرضوں پر امپیئر منٹ خسارہ 522.5 ملین روپے کے مقابلہ میں 582.6 ملین روپے رہے۔ ایڈورٹائزنگ اور تشہیری اخراجات کی وجہ سے ان اخراجات میں اضافہ دیکھنے میں آیا۔ گذشتہ سال میں اسی مدت کے دوران قرضوں پر لاگت 98.9 رہی جب کہ رواں نو ماہی میں یہی لاگت 127.0 ملین روپے ہے۔ قرضوں پر لاگت میں یہ اضافہ اسٹیٹ بینک آف پاکستان کی جانب سے شرح سود میں اضافہ کی وجہ سے ہوا۔

مذکورہ بالا عوامل کے نتیجہ میں کمپنی نے 226.0 ملین روپے منافع علاوہ ٹیکس کے مقابلہ میں رواں نو ماہی کے دوران 180.9 ملین روپے منافع علاوہ ٹیکس درج کیا۔

منڈی کا مجموعی ماحول تعمیراتی سرگرمیوں میں سستی اور پبلک سیکٹر تعمیراتی پروگرام کے تحت حکومتی اخراجات میں تیزی سے کمی اور وائر اور کیبل کی طلب میں کمی جیسے ترقیاتی چیلنجز کے آثار ظاہر کر رہے ہیں۔ مزید برآں، روپے کی قدر میں کمی سے متعلق غیر یقینی کے بادل اور آئی ایم ایف پروگرام کے تحت متوقع اقدامات کی وجہ سے حالات میں بہتری کے بہت کم امکانات ہیں۔ عالمی بینک اور آئی ایم ایف کی جانب سے GDP ترقی کی شرح میں 3 فی صد سے کمی کی رپورٹ سے بھی حالات کی خرابی واضح نظر آ رہی ہے۔ شرح سود، گیس اور بجلی کی قیمتوں میں اضافہ کی وجہ سے کاروباری لاگت میں بھی اضافہ ہوا۔

مذکورہ بالا عوامل کے نتیجے میں کمپنی لاگت کو کنٹرول کرنے کے لئے متعدد اقدامات پر زور دے رہی ہے اور پیداوار بڑھانے کے لئے بہتر کارکردگی کے ذریعے کوششیں جاری ہیں۔

ڈائریکٹرز اس مدت کے دوران کمپنی کی انتظامیہ اور ملازمین کی جانب سے انتھک محنت اور جذبہ کو قدر کی نگاہ سے دیکھتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کی جانب سے ہم اپنے تمام معزز صارفین، ڈسٹری بیوٹرز، ڈیلرز، بینکرز اور تمام دیگر سٹیک ہولڈرز کے کمپنی پر بھروسہ اور اعتماد پر خوشی کا اظہار کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

مصطفیٰ اے چنائے
چیئرمین
کراچی: اپریل 25، 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 31 March 2019

	Note	(Unaudited) 31 March 2019	(Audited) 30 June 2018
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	**2,617,373**	2,186,084
Intangible assets		**6,221**	6,891
Investment in an associated company		**99,588**	96,926
Long-term loans receivable		**7,410**	5,721
Long-term prepayment		**11,189**	-
Total non current assets		**2,741,781**	2,295,622
Current assets			
Stores and spares		**59,069**	64,264
Stock-in-trade	5	**2,281,529**	1,954,584
Trade debts	6	**1,839,011**	1,971,710
Short-term loans and advances		**25,212**	66,619
Short-term deposits and prepayments		**64,595**	50,185
Other receivables		**2,405**	9,509
Advance tax - net of provisions		**284,815**	185,675
Cash and bank balances	7	**96,851**	572,866
Total current assets		**4,653,487**	4,875,412
Total assets		**7,395,268**	7,171,034
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	8	**355,779**	284,623
Advance against share capital	8	**-**	487,905
Capital reserves			
Share premium reserve	8	**1,595,139**	527,800
Surplus on revaluation of assets (land and building) - net of tax		**1,094,366**	1,104,333
Revenue reserves			
General reserve		**1,227,000**	1,138,000
Un-appropriated profit		**137,148**	215,336
Total shareholders' equity		**4,409,432**	3,757,997
Non-current liabilities			
Long-term loans	9	**701,250**	289,375
Deferred liability for staff gratuity		**35,017**	32,695
Other long-term employee benefits		**37,969**	35,051
Deferred tax liability - net	10	**36,672**	62,550
Total non current liabilities		**810,908**	419,671
Current liabilities			
Current portion of long-term loans	9	**108,750**	68,750
Trade and other payables	11	**790,190**	762,120
Loans from banking companies	12	**990,362**	1,779,139
Contract liabilities		**216,748**	333,927
Unclaimed dividend		**26,419**	23,776
Mark-up accrued on bank borrowings		**42,459**	25,654
Total current liabilities		**2,174,928**	2,993,366
Contingencies and commitments	13		
Total equity and liabilities		**7,395,268**	7,171,034

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2019

	Note	Nine months period ended		Three months period ended	
		31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
		(Rupees in '000)		**(Rupees in '000)**	
Net Sales	14	**7,251,734**	6,829,330	**2,613,965**	2,370,165
Cost of sales		**(6,334,329)**	(5,927,811)	**(2,331,677)**	(2,102,159)
Gross profit		**917,405**	901,519	**282,288**	268,006
Marketing, selling and distribution costs	15	**(378,534)**	(328,622)	**(115,551)**	(115,258)
Administrative expenses	16	**(202,802)**	(186,158)	**(61,201)**	(64,385)
Impairment loss on trade debts		**(1,245)**	(7,767)	**(1,104)**	-
		(582,581)	(522,547)	**(177,856)**	(179,643)
Finance costs		**(126,966)**	(98,858)	**(51,620)**	(33,042)
Other expenses	17	**(19,086)**	(26,022)	**(6,005)**	(8,599)
		(146,052)	(124,880)	**(57,625)**	(41,641)
Other income		**42,962**	28,563	**30,506**	8,939
Share of profit from associate under the equity basis of accounting		**10,307**	11,717	**3,729**	4,917
Profit before income tax		**242,041**	294,372	**81,042**	60,578
Taxation	18	**(61,172)**	(68,402)	**(16,665)**	(16,012)
Profit for the period		**180,869**	225,970	**64,377**	44,566
		(Rupees)		**(Rupees)**	
			(Restated)		**(Restated)**
Earnings per share - Basic and diluted	19	**5.13**	7.40	**1.81**	1.46

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2019

	Nine months period ended		Three months period ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	(Rupees in '000)		**(Rupees in '000)**	
Profit after tax for the period	**180,869**	225,970	**64,377**	44,566
Other Comprehensive income:				
Items that will not be reclassified to profit and loss account				
Share of other comprehensive income from the associated company	**(283)**	(137)	**42**	3
Total comprehensive income - transferred to statement of changes in equity	**180,586**	225,833	**64,419**	44,569

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

	Note	Nine months period ended	
		31 March 2019	31 March 2018
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	20	**284,564**	(495,514)
Gratuity paid		**(1,359)**	(2,692)
Finance costs paid		**(110,161)**	(88,048)
Taxation - net		**(185,863)**	(18,680)
Long-term loans receivable		**(1,689)**	(2,885)
Long-term prepayment		**(11,189)**	-
Net cash flows from operating activities		**(25,697)**	(607,819)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(594,250)**	(163,010)
Proceeds from disposal of fixed assets		**1,747**	2,738
Dividend received from an associate		**3,744**	1,152
Net cash flows of investing activities		**(588,759)**	(159,120)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		**500,000**	110,000
Repayment of long-term loans		**(48,125)**	(43,750)
Net (decrease) / increase in short-term loans		**(851,523)**	630,595
Proceeds against subscription of right shares		**650,590**	-
Dividends paid		**(175,247)**	(146,476)
Net cash flows from financing activities		**75,695**	550,369
Net decrease in cash and cash equivalents		**(538,761)**	(216,570)
Cash and cash equivalents at beginning of the year		**80,250**	(245,999)
Cash and cash equivalents at end of the period	21	**(458,511)**	(462,569)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

			Capital reserves		Revenue reserves		
	Share capital	Advance against share capital	Share premium reserve	Surplus on Revaluation of assets - Net of tax	General reserve	Unappro-priated Profit	Total
	(Rupees in'000)						
Balance as at 01 July 2017	284,623	-	527,800	1,103,112	926,000	270,023	3,111,558
Total comprehensive income for the nine months period ended 31 March 2018							
- Profit for the period	-	-	-	-	-	225,970	225,970
- Other comprehensive income for the period - net of tax	-	-	-	-	-	(137)	(137)
	-	-	-	-	-	225,833	225,833
Transfer to general reserve for the year ended 30 June 2017	-	-	-	-	212,000	(212,000)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	-	(8,001)	-	8,001	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2017 to 31 March 2018	-	-	-	(234)	-	-	(234)
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended 30 June 2017 @ Rs. 2.00 per share	-	-	-	-	-	(56,925)	(56,925)
Interim cash dividend for the half year ended 31 December 2017 @ Rs. 2.50 per share	-	-	-	-	-	(71,156)	(71,156)
Balance as at 31 March 2018	284,623	-	527,800	1,094,877	1,138,000	163,776	3,209,076
Balance as at 01 July 2018	284,623	487,905	527,800	1,104,333	1,138,000	215,336	3,757,997
Total comprehensive income for the nine months period ended 31 March 2019							
- Profit for the period	-	-	-	-	-	180,869	180,869
- Other comprehensive income for the period - net of tax	-	-	-	-	-	(283)	(283)
	-	-	-	-	-	180,586	180,586
Transfer to general reserve for the year ended 30 June 2018	-	-	-	-	89,000	(89,000)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	-	(8,116)	-	8,116	-
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2018 to 31 March 2019	-	-	-	(1,851)	-	-	(1,851)
Right shares 7,115,594 issued at the rate Rs. 160 per share (Rs. 10 par value and Rs. 150 premium per share)	71,156	(487,905)	1,067,339	-	-	-	650,590
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended 30 June 2018 @ Rs. 3.50 per share	-	-	-	-	-	(124,523)	(124,523)
Interim cash dividend for the half year ended 31 December 2018 @ Rs. 1.50 per share	-	-	-	-	-	(53,367)	(53,367)
Balance as at 31 March 2019	**355,779**	**-**	**1,595,139**	**1,094,366**	**1,227,000**	**137,148**	**4,409,432**

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

1. INTRODUCTION

The 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.

2. BASIS OF PRESENTATION

These condensed interim financial statements of the Company 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 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.

2.1 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 31 March 2019 and statement of profit and loss account, statement of other comprehensive income, statement of cash flow and statement of changes in equity for the nine months period ended 31 March 2019.

2.2 The comparative statement of financial position presented in these condensed interim financial statements as at 30 June 2018 has been extracted from the audited financial statements of the Company for the year ended 30 June 2018, whereas the comparative statement of profit and loss account, statement of other comprehensive income, statement of cash flow and statement of changes in equity for the nine months period ended 31 March 2018 have been extracted from the unaudited condensed interim financial statements for the period then ended.

2.3 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 2018.

2.4 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

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 2018 except for the adoption of new standards effective as of 1 July 2018 as referred to in note 3.4 to these condensed interim financial statements.

3.2 New standards, interpretations and amendments adopted by the Company

The Company has initially adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 1 July 2018. The impact of the adoption of these standards and the new accounting policies are disclosed in note 3.4 below. A number of other new standards are effective from 1 July 2018 but they do not have a material effect on the Company's condensed interim financial statements.

3.3 Changes in accounting policies

Paragraphs below explains the impact of the adoption of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 Financial Instruments' on the Company's condensed interim financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

3.3.1 IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the informations presented for 2017 have not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

The Company manufactures and contracts with customers for the sale of wires and cables, aluminium profiles and PVC compound which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of products. Delivery occurs when the products have been shipped to or / and delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product either as per the sales contract or lapse of acceptance provision or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue is measured based on the consideration specified in a contract with a customer.

The Company receives short term advances from its customers. Prior to adoption of IFRS 15, an advance consideration received from customers was included in 'Trade and other payables' which now is reclassified in 'Contract liabilities' presented separately on statement of financial position. In addition, reclassification has been made from 'Trade and other payables' to 'Contract liabilities' for outstanding balance of advance from customers for prior year to provide comparison. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company.

Apart from providing more extensive disclosures, the application of IFRS 15 does not have any significant impact on the financial position and / or financial performance of the Company for the reasons described above. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

As required for the condensed interim financial information, 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.

3.3.2 IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The classification and measurement under IFRS 9 does not have any impact on Company's accounting policy. Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss. Trade receivables are written off when there is no reasonable expectation of recovery. Based on the management's ECL workings under IFRS 9 and given the Company's experience with customers having good collection history with no significant historical loss rates / bad debts and normal receivable ageing, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the Company. In addition, reclassification has been made from 'Administrative Expenses' to 'Impairment loss on trade debts' for impairment losses, recognised under IAS 39, for prior year to provide comparison.

3.4 Accounting Estimates and Judgements

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 2018.

4. PROPERTY, PLANT AND EQUIPMENT

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

	Note	Nine months period ended (Unaudited) 31 March 2019	(Unaudited) 31 March 2018
		(Rupees in '000)	
Additions			
Land	4.1	**510,794**	-
Plant and machinery		**31,434**	83,373
Office equipment and appliances		**5,498**	5,212
Vehicles		**20,052**	7,507
Capital work in progress	4.2	**20,660**	63,502
Furnitures and fixtures		**2,507**	2,147
Buildings		**600**	251
Others		**2,705**	1,018
		594,250	163,010
Disposals (cost)		**(2,816)**	(8,024)

4.1 This land is purchased for Company's operations and situated at Nooriabad.

4.2 This represents the purchase of plant and machinery & others.

5. STOCK-IN-TRADE

	Note	(Unaudited) 31 March 2019	(Audited) 30 June 2018
		(Rupees in '000)	
Raw materials [including Rs. 124.73 million in transit (30 June 2018 : Rs. 24.10 million)]	5.1	968,753	878,375
Work-in-process	5.2	476,718	503,424
Finished goods	5.2	761,775	523,037
Scrap		74,283	49,748
		2,281,529	1,954,584

5.1 Raw material includes slow moving items carried at Rs. Nil (30 June 2018: Nil) as against their cost of Rs. 25.46 million (30 June 2018: Rs. 25.46 million).

5.2 Work-in-process and finished goods include slow moving items aggregating Rs. 8.96 million (30 June 2018: Rs. 17.25 million) and Rs. 31.37 million (30 June 2018: Rs. 23.21 million) respectively stated at their net realizable values against their cost of Rs. 9.45 million (30 June 2018: Rs. 18.24 million) and Rs. 51.79 million (30 June 2018: Rs. 38.68 million) respectively.

5.3 Provision against raw material

	(Unaudited) 31 March 2019	(Audited) 30 June 2018
	(Rupees in '000)	
Balance as at 01 July	25,456	26,491
Charge / (reversal) during the period - net	-	(1,035)
Balance as at 31 March	25,456	25,456

6. TRADE DEBTS

Unsecured and non-interest bearing

Considered good	1,839,011	1,971,710
Considered doubtful	49,084	47,914
	1,888,095	2,019,624
Impairment loss on doubtful trade debts	(49,084)	(47,914)
	1,839,011	1,971,710

7. CASH AND BANK BALANCES

With banks - in current accounts (non-interest bearing)	79,993	557,447
- in profit and loss sharing account (interest bearing)	16,424	15,112
Cash in hand	434	307
	96,851	572,866

8. SHARE CAPITAL, SHARE PREMIUM RESERVE AND ADVANCE AGAINST SHARE CAPITAL

In the previous year, right issue of shares was approved by the Board of Directors of the Company in its meeting held on 19 April 2018 in the proportion of 25 ordinary right shares for every 100 ordinary shares held as of 23 May 2018. Total number of right shares offered were 7,115,594 at the rate of Rs.160 per share (Rs.10 par value and Rs.150 premium per share). Total of 7,115,594 shares were issued during the period resulting in the increase in share capital to Rs. 355.779 million and the share premium account to Rs. 1,595.139 million. Advance against equity of Rs. 487.905 million received up to 30 June 2018 has been allocated to share capital and share premium account.

9. LONG TERM LOANS - secured

	(Unaudited) 31 March 2019	(Audited) 30 June 2018
	(Rupees in '000)	
Loan from conventional financial institutions	810,000	358,125
Current portion shown under current liabilities	(108,750)	(68,750)
	701,250	289,375

9.1 Long term loans have been obtained for the purpose of capital expenditure and are secured against hypothecation of specific items of plant and machinery and mortgage property. Rate of mark-up on the loans at the period-end ranged between 10.14% to 11.50% per annum (30 June 2018: 6.59% to 7.16% per annum) at 6 months KIBOR plus 0.10% / 0.25% / 0.60% / 0.65% per annum. These loans are for five years from the date of disbursement and, except for loan against mortgage, are repayable in eight half yearly equal principal instalments of Rs. 6.25 million, Rs. 9.38 million, Rs. 14.38 million, Rs. 4.38 million and Rs. 20.00 million commencing from 06 November 2016, 09 August 2017, 24 November 2017, 22 February 2018 and 21 August 2019 respectively. The loan against mortgage is repayable in six half yearly equal instalments of Rs. 83.33 million commencing from 12 May 2021. Total facility available to the Company under the above arrangement amounted to Rs. 1,600 million of which the amount remaining unutilized as at 31 March 2019 was Rs. 665 million (30 June 2018: Total facility available of Rs. 600 million of which the amount unutilized as at 30 June 2018 was Rs. 165 million).

Above loans are secured against hypothecation charge of Rs. 1,915 million over the specific plant, machinery and equipment and mortgage property of the Company.

		(Unaudited) 31 March 2019	(Audited) 30 June 2018
		(Rupees in '000)	
10.	**DEFERRED TAX LIABILITY - net**		
	Taxable temporary difference on		
	Accelerated tax depreciation	**52,844**	79,158
	Surplus on revaluation of building on leasehold land	**66,795**	70,110
	Share of surplus on revaluation of land and building of the associated company	**1,103**	1,430
	Share of profit of an equity accounted associated company	**6,507**	5,523
		127,249	156,221
	Deductible temporary differences on		
	Provision for staff retirement benefits	**(8,984)**	(8,459)
	Impairment loss on doubtful trade debts	**(12,271)**	(11,979)
	Provision for slow-moving stores and spares	**(1,980)**	(1,630)
	Provision for import levies and other provisions	**(67,342)**	(71,603)
		(90,577)	(93,671)
	Deferred tax liability - net	**36,672**	62,550

		Note		
11.	**TRADE AND OTHER PAYABLES**			
	Creditors		**172,514**	175,743
	Accrued expenses		**295,777**	317,079
	Provision for import levies		**250,063**	221,865
	Security deposits from distributors and employees	11.2	**15,646**	15,104
	Payable to staff provident fund - related party		**3,178**	2,829
	Payable to staff pension fund - related party		**24,862**	18,586
	Sales tax payable		**8,648**	-
	Workers' profit participation fund		**12,996**	1,073
	Workers' welfare fund		**4,884**	6,124
	Withholding income tax payable		**1,047**	2,738
	Others		**575**	979
			790,190	762,120

11.1 All the above liabilities are non-interest bearing except as disclosed in note 11.2 below:

11.2 Security deposits from distributors and employees

These deposits are placed in a separate bank account and comply with the requirement of section 217 of Companies Act, 2017. The break-up of security deposits is as follows:

	(Unaudited) 31 March 2019	(Audited) 30 June 2018
	(Rupees in '000)	
Deposits from distributors	**5,973**	5,973
Deposits from employees	**9,673**	9,131
	15,646	15,104

11.2.1 This includes security deposit from distributors under mark-up arrangements amounting to Rs. 5.0 million (30 June 2018: Rs. 5.0 million) and carries mark-up at 6% per annum.

11.2.2 There are certain deposits from employees as a part of their employment contract with the Company and are non-interest bearing deposits.

12. LOANS FROM BANKING COMPANIES	*Note*	(Unaudited) 31 March 2019	(Audited) 30 June 2018
		(Rupees in '000)	
Secured			
Running musharka under Shariah arrangements		**51,982**	101,548
Running finance under mark-up arrangements		**503,380**	391,068
Running finance from banks	*12.1*	**555,362**	492,616
Short term finances under mark-up arrangements	*12.2*	**435,000**	1,278,966
Export refinance under mark-up arrangements		**-**	7,557
		990,362	1,779,139

12.1 Running finance from banks

Running Musharaka under Shariah arrangement carries mark-up at 11.44% per annum (30 June 2018: 6.90% per annum) and the available facility is Rs. 400 million. At 31 March 2019, the facility unutilised was Rs. 348 million.

The Company has also arranged short-term running finance facilities under mark-up arrangements from certain banks. Overall facility for these running finances under mark-up arrangements amounts to Rs. 2,550 million (30 June 2018: Rs. 2,408 million). Rate of mark up on these running finance facilities under mark-up arrangements ranges between 11.28% to 12.04% net of prompt payment rebate (30 June 2018: 6.65% to 7.92% per annum). These facilities will expire between 31 March 2019 to 31 July 2019 and are renewable.

12.2 Short term finances under mark-up arrangement

The amount outstanding against the short term finance facilities as at 31 March 2019 amounted to Rs. 435.0 million (30 June 2018: Rs. 1,278.97 million) against the available facilities of Rs. 2,945 million (30 June 2018: Rs. 3,203 million). This includes facilities earmarked out of the total running finance facilities for Rs. 1,745 million obtained from these banks. Mark-up on term finance is agreed at each disbursement and as at 31 March 2019, it ranged between 10.91% to 11.09% per annum (30 June 2018: 6.45% to 7.13% per annum). These are payable latest by 03 April 2019.

12.3 Other facilities

Facility for opening letters of credit and guarantees as at 31 March 2019 amounted to Rs. 3,175 million including Rs. 775 million relating to the guarantees (30 June 2018: Rs 2,817 million including Rs. 817 million relating to guarantees) of which the amount remaining unutilized as at that date was Rs. 2,565 million, including Rs. 390 million relating to the guarantees (30 June 2018: Rs. 2,323 million including Rs. 360 million relating to guarantees).

12.4 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. 5,625 million.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 5.65 million (30 June 2018: Rs. 9.41 million) against partial exemption of import levies.

b) Bank guarantees amounting to Rs. 385 million (30 June 2018: Rs. 457 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

13.2 Commitments

a) Aggregate commitments for capital expenditure as at 31 March 2019 amounted to Rs. 159.65 million (30 June 2018: Rs. 36.51 million).

b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 31 March 2019 amounted to Rs. 87.86 million (30 June 2018: Rs. 14.70 million). These are in respect of the letters of credit opened before the year end but no shipment by then had been made.

14. NET SALES

	Nine months period ended	
	(Unaudited)	(Unaudited)
	31 March	31 March
	2019	2018
	(Rupees in '000)	
Gross local sales	**8,479,543**	7,945,873
Export sales	**35,819**	67,135
	8,515,362	8,013,008
Sales tax	**(1,263,628)**	(1,181,942)
Discount	**-**	(1,736)
	(1,263,628)	(1,183,678)
	7,251,734	6,829,330

14.1 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:

	Nine months period ended	
	(Unaudited)	(Unaudited)
	31 March	31 March
	2019	2018
	(Rupees in '000)	
Primary geographical markets		
Pakistan	**7,215,915**	6,762,195
Middle East	**7,525**	53,708
Africa	**10,380**	13,427
Asia	**17,914**	-
	7,251,734	6,829,330

	Nine months period ended	
	(Unaudited)	(Unaudited)
	31 March	31 March
	2019	2018
	(Rupees in '000)	
Major products lines		
Wire and Cables	**7,071,861**	6,648,176
Aluminium profile business	**179,873**	181,154
	7,251,734	6,829,330
Sales channels		
Goods sold:		
- directly to consumers	**5,831,150**	5,491,290
- through intermediaries	**1,420,584**	1,338,040
	7,251,734	6,829,330

	Nine months period ended	
	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	(Rupees in '000)	

15. MARKETING, SELLING AND DISTRIBUTION COSTS

Salaries, wages and benefits	**104,116**	89,296
Rent, rates and taxes	**13,467**	11,526
Commission	**772**	1,270
Repairs and maintenance	**1,239**	1,774
Communication and stationary	**3,059**	3,055
Training, travelling and entertainment	**19,369**	15,876
Advertising and publicity	**139,780**	98,687
Carriage and forwarding expenses	**79,966**	91,353
Depreciation	**9,091**	8,311
Subscriptions	**1,504**	1,283
Insurance	**1,287**	1,261
Other expenses	**4,884**	4,930
	378,534	328,622

16. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	**132,910**	127,266
Office rent	**5,973**	4,069
Insurance	**1,288**	1,260
Donations	**7,640**	5,175
Repairs and maintenance	**6,545**	6,889
Legal and professional	**14,981**	12,708
Auditors' remuneration	**1,447**	1,274
Communication and stationary	**7,155**	5,217
Training, travelling and entertainment	**5,250**	3,004
Depreciation	**8,271**	7,222
Amortization	**901**	4,233
Other expenses	**10,441**	7,841
	202,802	186,158

17. OTHER EXPENSES

Workers' profits participation fund	**12,996**	15,791
Workers' profits participation fund - Penalty	**-**	1,699
Workers' welfare fund	**5,447**	5,976
Liquidated damages for late deliveries	**643**	2,556
	19,086	26,022

18. TAXATION

	Nine months period ended	
	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	(Rupees in '000)	
Current - for the period	**86,724**	94,157
- Prior years - net	**-**	(9,687)
Deferred - due to changes in temporary differences - net	**(25,552)**	(16,068)
	61,172	68,402

18.1 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 as amended through Finance Act, 2018 and requires every public company other than a scheduled bank or modaraba, to pay tax at five percent of the accounting profit if it drives profit for a tax year but does not distribute at least 20 percent of its after tax profits within six monhts of the end of the tax year through cash.

The Company intends to distribute sufficient dividend for the accounting year ending 30 June 2019 to comply with the above stated requirement. Accordingly, no provision for taxation has been recognised in these interim financial statements.

19. EARNINGS PER SHARE - basic and diluted

	Nine months period ended (Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	(Rupees in '000)	
Profit after taxation	180,869	225,970
	(Number of shares)	(Restated)
Weighted average number of ordinary shares outstanding during the period	35,285	30,553
	(Rupees)	(Restated)
Earnings per share - basic and diluted	5.13	7.40

20. CASH GENERATED FROM / (USED IN) OPERATIONS

	Nine months period ended (Unaudited) 31 March 2019	(Unaudited) 31 March 2018
	(Rupees in '000)	
Profit before taxation	242,041	294,372
Adjustments for non cash charges and other items:		
- Depreciation	161,472	154,994
- Amortization	1,973	4,233
- Provision for staff gratuity	3,681	3,272
- Other long-term employees benefits	2,918	5,609
- Gain on disposal of fixed assets	(1,561)	(2,688)
- Share of profit from associate	(10,307)	(11,717)
- Reversal of impairment loss on investment in associate	-	(6,955)
- Finance costs	126,966	98,858
Working capital changes:		
(Increase) / decrease in current assets		
- Stores and spares	5,195	4,534
- Stock-in-trade	(326,945)	(219,218)
- Trade debts	132,699	(488,308)
- Short-term loans and advances	41,407	(6,649)
- Short term deposits and payments	(14,410)	(11,394)
- Other receivables	8,544	(16,255)
	(153,510)	(737,290)
Increase / (decrease) in current liabilities		
- Trade and other payables	28,070	(209,466)
- Contract Liabilities	(117,179)	(88,736)
	(89,109)	(298,202)
	(242,619)	(1,035,492)
	284,564	(495,514)

21. CASH AND CASH EQUIVALENTS

	2019	2018
Cash and bank balances	96,851	54,263
Running finance from banks	(555,362)	(516,832)
	(458,511)	(462,569)

22. 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 and percentage shareholding	Transactions during the period and period-end balances	Nine months period ended (Unaudited) 31 March 2019	(Unaudited) 31 March 2018
			(Rupees in '000)	
Intermark (Pvt) Limited	Associate	Sale of goods	**682,423**	671,254
		Amount due at the period end	**269,074**	224,507
International Industries Limited	Associate	Sale of goods	**9,822**	5,227
		Purchase of goods, services & materials	**1,198**	53
		Sharing of rental office expenses	**394**	252
		Dividend paid	**30,462**	17,037
		Dividend received / receivable	**5,184**	2,304
		Proportionate share of changes in equity	**10,024**	11,580
		Reversal of impairment loss on investment	**-**	6,955
		Amount due at the period end	**2,403**	928
Amir Sultan Chinoy Foundation	Common directorship	Donation	**1,000**	2,000
International Steels Limited	Associate	Sale of goods	**4,736**	84,306
		Amount due at the period end	**27**	2,518
Askari Bank Limited	Common directorship	Sale of goods	**-**	234
MCB Bank Limited	Common directorship	Repayments (net)	**(31,626)**	-
		Bank service charges & mark-up	**4,300**	-
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium	**3,776**	856
		Insurance claim received	**500**	545
Cherat Cement Company	Common directorship	Sale of goods	**913**	62,817
		Amount due at the period end	**-**	7,742
Atlas Autos (Private) Limited	Common directorship	Sale of goods	**4,063**	9,222
		Amount due at the period end	**-**	243
Atlas Engineering Limited	Common directorship	Sale of goods	**10,932**	1,661
		Amount due at the period end	**5,687**	-
Atlas Power Limited	Common directorship	Sale of goods	**459**	101
Atlas Honda Limited	Common directorship	Sale of goods	**13,705**	17,328
		Purchase of goods, services & materials	**192**	64
		Amount due at the period end	**478**	232
ICI Pakistan Limited	Common directorship	Sale of goods	**10,525**	30,752
		Amount due at the period end	**2,813**	5
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	**12,678**	10,436
		Retirement benefit plans payable	**3,178**	2,817
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plans	**6,307**	3,409
		Retirement benefit plans (payable) / receivable	**(24,862)**	24,203
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Remuneration	**128,662**	108,200
		Directors' fees	**2,125**	1,600
		Loan receivable from the executive director (including interest)	**364**	762
		Dividend paid	**39,449**	31,673
		Director' fee payable	**850**	400

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 97.5% (30 June 2018 : 97%) of total revenue of the company.

23.2 Sales represent local sales of Rs. 7,215.91 million (31 March 2018: Rs. 6,762.19 million) and export sales of Rs. 35.82 million (31 March 2018 : Rs. 67.14 million). The export represents sales to Africa, Middle East and Asia regions amounting to Rs. 10.38 million, Rs. 7.53 million and Rs. 17.91 million respectively. (31 March 2018: sales to Africa and Middle East regions amounting to Rs. 13.43 million and Rs. 53.71 million respectively).

23.3 All non-current assets of the Company at 31 March 2019 are located in Pakistan. The Company does not have any customer having sales of 10% or more during the period ended 31 March 2019 (30 June 2018: Nil).

24. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statement as at and for the year ended 30 June 2018.

25. CORRESPONDING FIGURES

Corresponding figures have been reclassified for the purposes of comparison and better presentation. These reclassifications have no impact on previously reported profit or equity.

26. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25 April 2019 by the Board of Directors of the Company.

Chief Executive	Director	Chief Financial Officer

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