



TRUSTED NOT TO COMPROMISE
a General Cable affiliate

THE POWER CONNECTION

Quarterly Report 2016
for the period ended September 30, 2016

COMPANY INFORMATION

| | | |
|--------------------------------------|--|---|
| Directors | Mustapha A. Chinoy Syed Naseem Ahmad Sadia Khan Roderick Macdonald Haroun Rashid Saqib H. Shirazi Kamal A. Chinoy Muhammad Ashfaq Alam | (Chairman) (Chief Executive) |
| Company Secretary | Nazifa A. Khan | |
| Legal Advisor | Barrister M. Jamshid Malik | |
| Bankers | Standard Chartered Bank (Pakistan) Ltd. Bank Al-Habib Ltd. Habib Bank Ltd. Meezan Bank Ltd. MCB Bank Ltd. NIB Bank Ltd. | |
| Registered Office and Factory | B-21, Pakistan Cables Road, Sindh Industrial Trading Estates, P.O. Box 5050, Karachi-75700 Tele: 021-32561170-75 Fax: 92-21-32564614 E-mail: info@pakistancables.com | |
| Head Office | Arif Habib Center, 1st Floor, 23 M.T. Khan Road, Karachi. UAN: 111-CABLES (222 - 537) Fax: 92-21-32462111 E-mail: sales@pakistancables.com | |
| Regional Offices | Lahore: 042-35785611-4 E-mail: lahore@pakistancables.com Rawalpindi: 051-5732724-25 E-mail: pindi@pakistancables.com | |
| Branch Offices | Multan: 061-4583332 E-mail: multan@pakistancables.com Abbottabad: 0992-383616 E-mail: abbotabad@pakistancables.com Peshawar: 091-5845068 E-mail: peshawar@pakistancables.com Muzaffarabad: 05822-432088 E-mail: muzaffarabad@pakistancables.com | |
| Website | www.pakistancables.com | |

DIRECTORS' REVIEW

Sales for the first quarter are Rs. 1.9 billion, which is 20% higher than the sales for the same period of last year. The increase in sales is mainly in Trade and Projects segments. Gross profit of Rs. 281.3 million is 15.0% of sales against Rs. 184.9 million (11.8% of sales) in the same period of last year. The higher gross profit is attributed mainly due to a favourable sales mix and operational efficiencies.

Selling, Marketing and Administrative expenses are Rs. 144.4 million compared to Rs. 107.3 million in the same period of last year. The increase is mainly due to higher expenses on account of advertising & publicity. Finance cost for the quarter are Rs. 16.7 million compared to Rs. 27.5 million in the same period of last year. Last year's finance cost included an exchange loss of Rs. 14 million incurred on borrowings in US dollars as a result of depreciation of rupee against the dollar.

As a result of the above factors, Pakistan Cables Limited (the "Company") ended the first quarter with a profit after tax of Rs. 79.6 million compared to Rs. 40.2 million in the same period of last year.

While progress has been made in strengthening the country's economic resilience, key challenges facing the country which includes security issues, energy shortages, low exports and declining Foreign Direct Investment ("FDI"), continue to weigh heavily on the country's business climate. Structural reforms are pivotal to foster higher and more inclusive growth. In view of a reasonable order book, the Company hopes to maintain sustained growth through increasing market share, cost control and improved efficiencies to increase productivity and improved returns to the stakeholders.

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: October 26, 2016

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
As At 30 SEPTEMBER 2016

| | Note | (Unaudited) 30 September 2016 (Rupees in '000) | (Audited) 30 June 2016 |
|---|------|---|------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 2,103,853 | 2,090,035 |
| Intangible assets | | 9,829 | 11,243 |
| Investment in an associated company | | 39,646 | 41,661 |
| Long-term loans receivable | | 3,325 | 2,883 |
| Long-term prepayment | | - | 3,124 |
| Total non current assets | | 2,156,653 | 2,148,946 |
| CURRENT ASSETS | | | |
| Stores and spares | | 55,495 | 50,800 |
| Stock-in-trade | 5 | 1,548,008 | 1,547,242 |
| Trade debts | 6 | 1,313,020 | 1,020,030 |
| Short-term loans and advances | | 36,409 | 16,691 |
| Short-term deposits and prepayments | | 54,734 | 50,513 |
| Other receivables | | 2,285 | 589 |
| Advance tax - net of provisions | | 198,982 | 185,977 |
| Cash and bank balances | 7 | 56,304 | 54,738 |
| Total current assets | | 3,265,237 | 2,926,580 |
| TOTAL ASSETS | | 5,421,890 | 5,075,526 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | 284,623 | 284,623 |
| Share premium reserve | | 527,800 | 527,800 |
| General reserves | | 926,000 | 802,000 |
| Unappropriated profit | | 82,473 | 252,344 |
| | | 1,820,896 | 1,866,767 |
| Surplus on revaluation of assets (land and building) - net of tax | | 1,111,490 | 1,114,119 |
| NON-CURRENT LIABILITIES | | | |
| Long-term loans | | 253,125 | 227,500 |
| Deferred liability for staff gratuity | | 29,998 | 29,529 |
| Other long-term employee benefits | | 30,707 | 30,707 |
| Deferred tax liability - net | | 59,525 | 72,572 |
| Total non current liabilities | | 373,355 | 360,308 |
| CURRENT LIABILITIES | | | |
| Current portion of long-term loans | | 21,875 | 12,500 |
| Trade and other payables | 8 | 1,106,423 | 1,262,183 |
| Short term borrowings | 9 | 848,609 | 452,967 |
| Mark-up accrued on bank borrowings | | 11,161 | 6,682 |
| Proposed dividend payable | | 128,081 | - |
| Total current liabilities | | 2,116,149 | 1,734,332 |
| TOTAL EQUITY AND LIABILITIES | | 5,421,890 | 5,075,526 |

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

| | <i>Note</i> | July to September 2016 | July to September 2015 |
|---|-------------|---------------------------------|---------------------------------|
| | | (Rupees in '000) | |
| Net Sales | | 1,870,502 | 1,562,548 |
| Cost of sales | | <u>(1,589,245)</u> | <u>(1,377,618)</u> |
| Gross profit | | 281,257 | 184,930 |
| Marketing, selling and distribution Costs | 11 | <u>(92,820)</u> | <u>(64,785)</u> |
| Administrative expenses | 12 | <u>(51,617)</u> | <u>(42,553)</u> |
| | | (144,437) | (107,338) |
| Finance costs | | <u>(16,694)</u> | <u>(27,549)</u> |
| Other expenses | 13 | <u>(9,440)</u> | <u>(4,570)</u> |
| | | (26,134) | (32,119) |
| Other income | | 4,919 | 8,584 |
| Share of profit from associate | | - | 2,467 |
| Profit before income tax | | 115,605 | 56,524 |
| Taxation | | <u>(36,024)</u> | <u>(16,355)</u> |
| Profit for the period | | 79,581 | 40,169 |
| | | (Rupees) | |
| Earnings per share - basic and diluted | | 2.80 | 1.41 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

| | July to September 2016 | July to September 2015 |
|---|---------------------------------|---------------------------------|
| | (Rupees in '000) | |
| Profit after tax for the period | 79,581 | 40,169 |
| Other comprehensive income: | | |
| Items that will not be reclassified to profit and loss account | | |
| Share of other comprehensive income from the associated company (remeasurement of post employment benefits obligations of associated company) | | 23 |
| Total comprehensive income - transferred to statement of changes in equity | <u>79,581</u> | <u>40,192</u> |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

| | <i>Note</i> | 30 September 2016 | 30 September 2015 |
|--|-------------|----------------------|----------------------|
| (Rupees in '000) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash used in operations | 14 | (297,528) | (1,541) |
| Gratuity paid | | (530) | - |
| Finance costs paid | | (12,215) | (26,866) |
| Taxes paid - net | | (62,075) | 33,183 |
| Long-term loans receivable | | (442) | (2,093) |
| Long-term prepayments | | 3,124 | 3,123 |
| Net cash flows from operating activities | | (369,666) | 5,806 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure | | (60,771) | (57,834) |
| Sale proceeds from disposal of fixed assets | | 1,397 | 2,594 |
| Net cash flows from investing activities | | (59,374) | (55,240) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term loan received | | 35,000 | - |
| Net increase in short-term borrowings | | 399,959 | 50,218 |
| Dividends paid | | (36) | - |
| Net cash flows from financing activities | | 434,923 | 50,218 |
| Net increase in cash and cash equivalents | | 5,883 | 784 |
| Cash and cash equivalents at beginning of the period | | (145,198) | (96,093) |
| Cash and cash equivalents at end of the period | 15 | (139,315) | (95,309) |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

| | Share capital | Share premium reserve | General reserves | Unappro- priated Profit | Total |
|---|------------------------------|-----------------------------|---------------------|-------------------------------|-----------|
| | ----- (Rupees in '000) ----- | | | | |
| Balance as at 01 July 2015 | 284,623 | 527,800 | 708,000 | 179,892 | 1,700,315 |
| Total comprehensive income for the period from July 2015 to September 2015 | - | - | - | 40,192 | 40,192 |
| Transfer to general reserve for the year ended 30 June 2015 | - | - | 94,000 | (94,000) | - |
| Transfer from surplus on revaluation of building - net of deferred tax | - | - | - | 1,483 | 1,483 |
| Transactions with owners recorded directly in equity | | | | | |
| Final cash dividend for the year ended 30 June 2015 @ Rs.3.00 per share | - | - | - | (85,387) | (85,387) |
| Balance as at 30 September 2015 | 284,623 | 527,800 | 802,000 | 42,180 | 1,656,603 |
| Balance as at 01 July 2016 | 284,623 | 527,800 | 802,000 | 252,344 | 1,866,767 |
| Total comprehensive income for the period from July 2016 to September 2016 | - | - | - | 79,581 | 79,581 |
| Transfer to general reserve for the year ended 30 June 2016 | - | - | 124,000 | (124,000) | - |
| Transfer from surplus on revaluation of building - net of deferred tax | - | - | - | 2,629 | 2,629 |
| Transactions with owners recorded directly in equity | | | | | |
| Final cash dividend for the year ended 30 June 2016 @ Rs. 4.50 per share | - | - | - | (128,081) | (128,081) |
| Balance as at 30 September 2016 | 284,623 | 527,800 | 926,000 | 82,473 | 1,820,896 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOI
Chief Executive



HAROUN RASHID
Director

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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 Karachi 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 B/21, S.I.T.E., Karachi, Pakistan.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2016.

3.1 Estimates

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 2016.

4. PROPERTY, PLANT AND EQUIPMENT

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

| | | Three months period ended | |
|------------------|-------------|---------------------------|----------------------|
| | | 30 September 2016 | 30 September 2015 |
| | | (Rupees in '000) | |
| Additions | | 60,771 | 57,834 |
| Disposals (cost) | | (1,640) | (4,206) |
| | | | |
| | <i>Note</i> | (Unaudited) | (Audited) |
| | | 30 September 2016 | 30 June 2016 |
| | | (Rupees in '000) | |

5. STOCK-IN-TRADE

| | | | |
|---|-----|------------------|------------------|
| Raw materials [including Rs. 164.9 million in transit (30 June 2016 : Rs. 336.2 million)] | 5.1 | 622,421 | 701,986 |
| Work-in-process | 5.2 | 395,576 | 351,362 |
| Finished goods | 5.2 | 493,747 | 475,528 |
| Scrap | | 36,264 | 18,366 |
| | | <u>1,548,008</u> | <u>1,547,242</u> |

5.1 Raw material includes slow moving items carried at Rs. Nil (30 June 2016 : Rs. Nil) as against their cost of Rs. 14.4 million (30 June 2016 : Rs. 14.238 million).

5.2 Work-in-process and finished goods include slow moving items aggregating Rs. 11.6 million (30 June 2016 : Rs. 9.813 million) and Rs. 15.4 million (30 June 2016 : Rs. 15.341 million) respectively stated at their net realizable values against their cost of Rs. 13.3 million (30 June 2016 : Rs. 12.187 million) and Rs. 29.5 million (30 June 2016 : Rs. 31.257 million) respectively.

| | Note | (Unaudited) 30 September 2016 | (Audited) 30 June 2016 |
|--|------|-------------------------------------|------------------------------|
| | | (Rupees in '000) | |

5.3 Provision against raw material

| | | |
|---|---------------|---------------|
| Balance as at 01 July | 14,238 | 18,700 |
| (Reversal) / charge during the year - net | 157 | (4,462) |
| Balance as at | <u>14,395</u> | <u>14,238</u> |

6. TRADE DEBTS

Unsecured and non-interest bearing

| | | |
|------------------------------------|------------------|------------------|
| Considered good | 1,313,020 | 1,020,030 |
| Considered doubtful | 46,590 | 46,590 |
| | <u>1,359,610</u> | <u>1,066,620</u> |
| Provision for doubtful trade debts | (46,590) | (46,590) |
| | <u>1,313,020</u> | <u>1,020,030</u> |

7. CASH AND BANK BALANCES

| | | |
|--------------------------------|---------------|---------------|
| With banks in current accounts | 56,001 | 54,151 |
| Cash in hand | 303 | 587 |
| | <u>56,304</u> | <u>54,738</u> |

8. TRADE AND OTHER PAYABLES

| | | |
|---|------------------|------------------|
| Creditors | 147,101 | 357,834 |
| Accrued expenses | 373,495 | 291,603 |
| Advances from customers | 286,294 | 298,394 |
| Security deposits from distributors | 8.2 5,948 | 8,448 |
| Payable to staff provident fund - related party | 2,361 | - |
| Provision for import levies | 194,512 | 186,662 |
| Payable to staff pension fund - related party | 38,606 | 36,658 |
| Workers' profit participation fund | 6,390 | 22,591 |
| Workers' welfare fund | 12,641 | 9,453 |
| Sales tax payable | 14,775 | 27,545 |
| Withholding income tax payable | 5,617 | 4,954 |
| Unclaimed dividend | 13,136 | 13,171 |
| Others | 5,547 | 4,870 |
| | <u>1,106,423</u> | <u>1,262,183</u> |

8.1 All the above liabilities are non-interest bearing except as disclosed in note 8.2 below:

8.2 This includes security deposit from distributors under mark-up arrangements amounting to Rs. 5.0 million (30 June 2016 : Rs.7.5 million).

9. SHORT-TERM BORROWINGS

From banking companies - secured

| | | |
|---|--------------------|----------------|
| Running musharka under Shariah arrangement | 74,593 | 2,803 |
| Running finance under mark-up arrangements | 121,026 | 197,133 |
| Running finance from banks | 9.1 <u>195,619</u> | <u>199,936</u> |
| Short term finances under mark-up arrangement | 9.2 402,815 | 151,842 |
| Foreign currency import finance under mark-up arrangement | 9.3 <u>250,175</u> | <u>101,189</u> |
| | <u>848,609</u> | <u>452,967</u> |

9.1 Running finance from banks

The Company has arranged short-term running finance facilities from certain banks. Overall facility for these running finances under mark-up arrangements amounts to Rs. 2,150 million (30 June 2016 : Rs. 2,150 million). Rate of mark-up on running finance facilities under mark-up arrangements ranges between 6.45% to 7.24% net of prompt payment rebate (30 June 2016 : 6.75% to 7.74% per annum). These facilities will expire between 31 October 2016 to 31 July 2017 and are renewable.

Running musharaka carries mark-up at 6.45% per annum (30 June 2016 : 6.75% per annum) and the available facility is Rs. 300 million (30 June 2016 : Rs. 300 million).

9.2 Short term finances under mark-up arrangement

The amount outstanding against the short term finance facility as at 30 September 2016 available from banks was Rs. 402.8 million (30 June 2016 : Rs. 151.8 million) earmarked out of the total running finance facilities of Rs. 1,645 million obtained from these banks and letter of credit facilities of Rs. 500 million. Total facility available under this arrangement amounts to Rs. 2,150 million (30 June 2016 : Rs. 2,150 million) which is a sublimit of above available running finance limit. Mark-up on term finance is agreed at each disbursement and as at 30 September 2016, it ranged between 6.19% to 6.40% per annum (30 June 2016 : 6.38% to 6.50% per annum). These are payable latest by 05 October 2016.

9.3 Foreign currency import finance under mark-up arrangement

The amount outstanding against the foreign currency import finance facility as at September 30, 2016 available from banks was Rs. 250.2 million (30 Jun 2016 : Rs. 101.2 million) earmarked out of the total running finance facilities of Rs. 895 million obtained from these bank and letter of credit facilities of Rs. 500 million. Total facility available under this arrangements amounts to Rs. 2,150 million (30 June 2016: Rs. 2,150 million) which is a sublimit of above running finance limit. At 30 September 2016 these balances carried markup ranged between 1.20% to 1.25% per annum (30 June 2016 : 1.20% per annum). These are repayable by March 2017.

9.4 Other facilities

The facility for opening letters of credit and guarantees as at 30 September 2016 amounted to Rs. 2,727 million including Rs. 580 million relating to the guarantees (30 June 2016 : Rs. 2,828 million including Rs. 580 million relating to the guarantees) of which the amount remaining unutilised as at that date was Rs. 2,419 million including Rs. 276 million relating to the guarantees (30 June 2016 : Rs. 2,438 million including Rs. 251 million relating to the guarantees).

9.5 Securities

Above arrangements are secured by way of joint hypothecation charge over stocks, stores and spares and present and future trade debts of the Company of Rs. 4,265 million.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 19,760 million (30 June 2016 : Rs. 18,504 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 304 million (30 June 2016 : Rs. 329 million) have been given to various parties for contract performance, tender deposits, import levies, etc.
- c) The Company received a show cause notice from the Large Taxpayers Unit, Karachi demanding an amount of Rs. 251 million pertaining to the sales tax returns of the Company for the years 2008-9, 2009-10 and 2010-11. The Company had submitted its response to the show cause notice through its authorised representative. The management in consultation with its tax advisor is of the view that the department's notice is based on interpretation which is against the spirit of the law. The Company had filed an appeal against the above order with Commissioner (Appeals) which also upheld the order previously passed by the department. The Company has filed an appeal against the Commissioner (Appeals) order at Appellate Tribunal level.

10.2 Commitments

- a) Aggregate commitments for capital expenditure as at 30 September 2016 amounted to Rs. 70,947 million (30 June 2016 : Rs. 65,17 million).
- b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 30 September 2016 amounted to Rs. Nil (30 June 2016 : Rs. 38,253 million).

| | | Three months period ended | |
|--|------------------|---------------------------|----------------------|
| | | 30 September 2016 | 30 September 2015 |
| | | (Rupees in '000) | |
| 11. MARKETING, SELLING AND DISTRIBUTION COSTS | | | |
| Salaries, wages and benefits | 21,798 | 18,493 | |
| Rent, rates and taxes | 3,559 | 2,783 | |
| Commission | 809 | 2,520 | |
| Repairs and maintenance | 234 | 419 | |
| Communication and stationary | 1,219 | 557 | |
| Training, travelling and entertainment | 3,784 | 3,107 | |
| Advertising and publicity | 26,995 | 4,616 | |
| Carriage and forwarding expenses | 29,617 | 28,446 | |
| Depreciation | 2,349 | 1,946 | |
| Insurance | 362 | 388 | |
| Other expenses | 2,094 | 1,510 | |
| | <u>92,820</u> | <u>64,785</u> | |
| 12. ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and benefits | 35,722 | 31,285 | |
| Office rent | 1,562 | 1,420 | |
| Insurance | 489 | 388 | |
| Repairs and maintenance | 1,352 | 1,016 | |
| Legal and professional | 2,488 | 2,235 | |
| Auditors' remuneration | 188 | 289 | |
| Communication and stationary | 1,266 | 2,500 | |
| Reversal of doubtful trade debts | - | (4,006) | |
| Training, travelling and entertainment | 1,867 | 2,056 | |
| Depreciation | 2,983 | 2,679 | |
| Amortization | 1,414 | 505 | |
| Other expenses | 2,286 | 2,186 | |
| | <u>51,617</u> | <u>42,553</u> | |
| 13. OTHER EXPENSES | | | |
| Workers' profits participation fund | 6,252 | 3,055 | |
| Workers' welfare fund | 3,188 | 1,515 | |
| | <u>9,440</u> | <u>4,570</u> | |
| 14. CASH USED IN OPERATIONS | | | |
| Profit before taxation | 115,605 | 56,524 | |
| Adjustments for non cash charges and other items: | | | |
| - Depreciation | 45,956 | 38,030 | |
| - Amortization | 1,414 | 505 | |
| - Provision for staff gratuity | 998 | 1,005 | |
| - Gain on disposal of fixed assets | (400) | (1,752) | |
| - Share of profit from associate | - | (2,467) | |
| - Finance costs | 16,694 | 27,549 | |
| Working capital changes: | | | |
| (Increase) / decrease in current assets | | | |
| - Stores and spares | (4,695) | 1,303 | |
| - Stock-in-trade | (766) | (68,876) | |
| - Trade debts | (292,990) | (131,332) | |
| - Short-term loans and advances | (19,718) | 2,527 | |
| - Short term deposits and payments | (4,221) | (5,132) | |
| - Other receivables - net | 320 | (24,627) | |
| | <u>(322,070)</u> | <u>(226,137)</u> | |
| Increase/ (decrease) in current liabilities | | | |
| Trade and other payables - net | (155,725) | 105,202 | |
| | <u>(477,795)</u> | <u>(120,935)</u> | |
| | <u>(297,528)</u> | <u>(1,541)</u> | |

| | Three months period ended | |
|--------------------------------------|---------------------------|----------------------|
| Note | 30 September 2016 | 30 September 2015 |
| | (Rupees in '000) | |
| 15. CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 56,304 | 20,115 |
| Running finance from banks | (195,619) | (115,424) |
| | <u>(139,315)</u> | <u>(95,309)</u> |

16. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties are as follows:

Transactions with related parties:

Associated undertaking

| | | | |
|---|--|---------|---------|
| Sale of goods | | 194,302 | 176,301 |
| Purchase of goods and services | | 22,975 | 21,527 |
| Insurance premium expense | | 1,167 | 1,089 |
| Directors' fee | | 600 | 600 |
| Share of total comprehensive income of an associated company under the equity basis of accounting | | - | 2,490 |
| Share of Surplus on revaluation of land and buildings of associated company | | - | 276 |

Other related parties

| | | | |
|---|------|--------|--------|
| Remuneration to key management personnel | 16.1 | 24,537 | 20,768 |
| Net charge in respect of staff retirement benefit plans | 16.2 | 4,715 | 4,256 |

| | (Un-audited) 30 September 2016 | (Audited) 30 June 2016 |
|--|--------------------------------------|------------------------------|
|--|--------------------------------------|------------------------------|

Balances with related parties:

Associated undertakings

| | | |
|--|------------------|---------|
| | (Rupees in '000) | |
| Trade debts (unsecured, considered good) | 178,763 | 157,928 |

Other related parties

| | | |
|--|--------|--------|
| Retirement benefit plans - Payable (net) | 40,967 | 36,337 |
| Directors' fee payable | 900 | 1,000 |
| Security deposit with them | 1,071 | 1,071 |
| Liability for expenses | 4,033 | 4,033 |


- 16.1 Remuneration to key management personnel are in accordance with terms of their employment.
- 16.2 Contributions to the defined contribution plan (provident fund) are made as per the terms of employment, whereas the charge for pension scheme is made as per the actuarial advice.
- 16.3 Other transactions are at agreed terms.

17. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statement as at and for the year ended 30 June 2016.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26 October 2016 by the Board of Directors of the Company.


KAMAL A. CHINOY
Chief Executive


HAROUN RASHID
Director



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