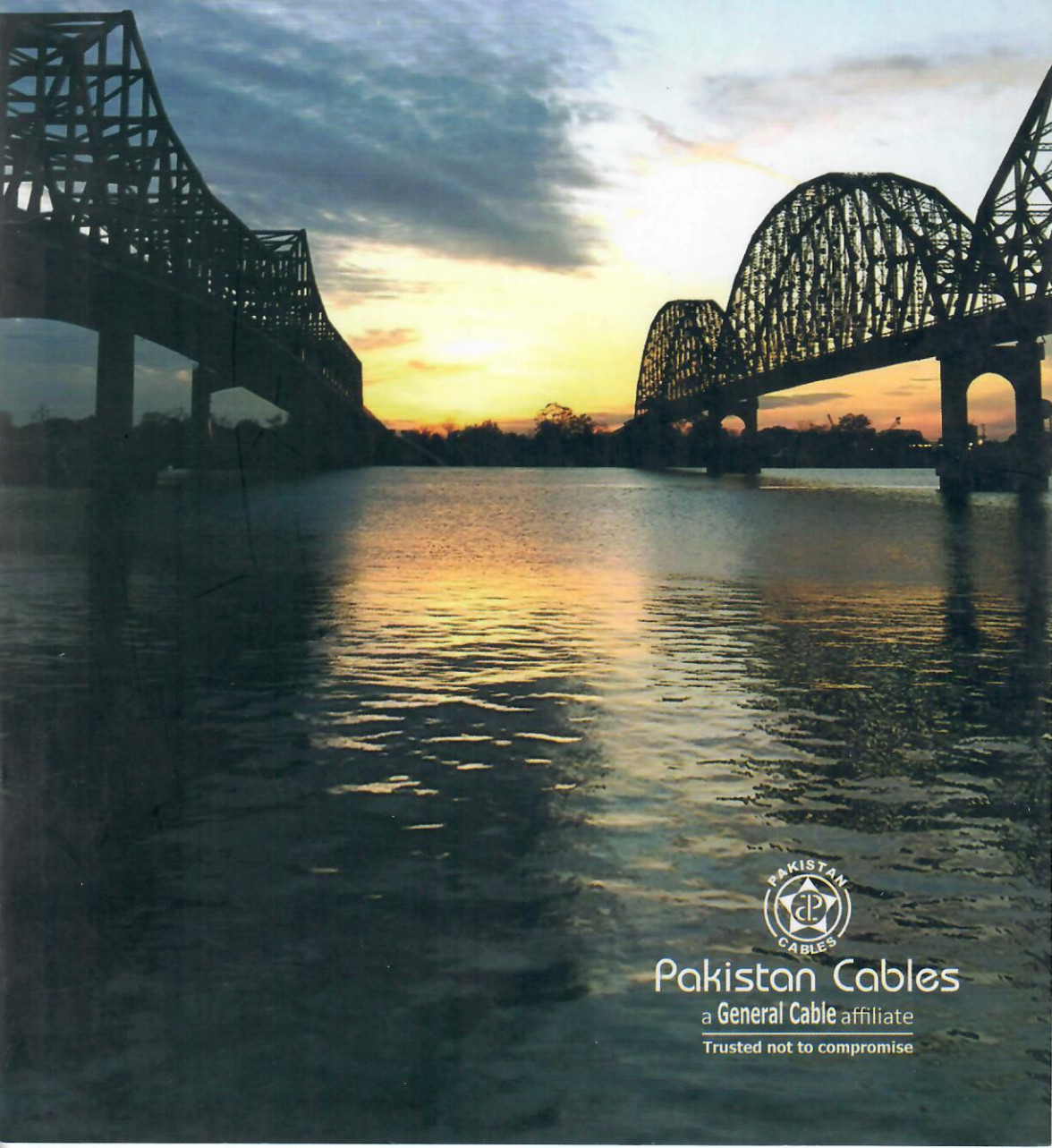


Together towards tomorrow

Pakistan Cables Limited

Quarterly Accounts

for the period ended March 31, 2013



Pakistan Cables

a General Cable affiliate

Trusted not to compromise

COMPANY INFORMATION

Directors

Mustapha A. Chinoy (Chairman)
Haroun Rashid
Syed Naseem Ahmad
Saqib H. Shirazi
Roderick Macdonald
Ernest Kenneth Sy Cuyegkeng
Shahid Aziz Siddiqui
Sadiah Khan
Kamal A. Chinoy (Chief Executive)

Company Secretary Aslam Sadruddin

Legal Advisor S.S. Shaikh & Co.

Bankers

Standard Chartered Bank (Pakistan) Ltd.
Bank Al-Habib Ltd.
Habib Bank Ltd.
HSBC Bank Middle East Ltd.
MCB Bank Ltd.
NIB Bank Ltd.

Registered Office, Factory and Marketing Office

B/21, Sindh Industrial Trading Estates,
P.O. Box 5050, Karachi-75700
Telephone Nos. 021-32561170-75
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Regional Offices

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E-mail: lahore@pakistancables.com

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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

Vision

To be the company of first choice for customers & partners for Wire and Cables and other engineering products

Mission

To strengthen industry leadership in the manufacturing and marketing of wire and cables and to have a strong presence in the engineering products market while retaining the options to participate in other profitable businesses.

To operate ethically while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio-economic development of Pakistan by being good corporate citizens.

DIRECTORS' REVIEW

Sales for the nine months period ended March 31, 2013 at Rs. 4.5 billion is 18% higher than sales for the same period of last year. The increase in sales is mainly in Trade and Projects segments. Gross profit of Rs. 529.6 million is 11.7% of sales against Rs. 460.6 million (12.0% of sales) in the same period of last year. The drop in the gross profit percentage resulted from reduced margins because of increased competitiveness in the market.


Selling and administrative expenses for the nine months are Rs. 272.8 million compared to Rs. 223.5 million in the same period of last year. The increase is mainly due to higher expense on account of carriage & forwarding. The total of finance cost and exchange loss during the year is Rs. 69.9 million which is 15% lower as compared to Rs. 82.2 million in the same period of last year.

As a result of the above factors, your company ended with a profit after tax for the nine months period of Rs. 120.1 million compared to a profit after tax of Rs. 74.5 million in the same period of last year. Earning per share has increased to Rs. 4.22 compared to Rs. 2.62 in the same period of last year.

The country is passing through a transition phase as the general elections are scheduled for May 2013. Energy crisis and security concerns could impact the company's performance and results, however, your company is carrying forward a reasonably healthy order book.

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, 2013

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
As At 31 MARCH 2013

	Note	(Un-audited) 31 March 2013	(Audited) 30 June 2012
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,427,172	1,495,289
Investments in associates		18,844	18,405
Long-term loans		4,142	2,201
Long-term security deposits		2,569	2,567
CURRENT ASSETS			
Stores and spares	5	35,290	26,953
Stock-in-trade	6	1,102,159	1,246,909
Trade debts	7	723,958	715,687
Short-term loans and advances		13,160	6,848
Short-term deposits and prepayments		6,115	6,839
Other receivables		5,023	4,712
Advance tax - net of provisions		190,600	147,655
Cash and bank balances		11,879	5,092
		2,088,184	2,160,695
TOTAL ASSETS		3,540,911	3,679,157
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		284,623	284,623
Share premium reserve		527,800	527,800
General reserves		555,500	504,000
Unappropriated profit		123,715	144,420
		1,491,638	1,460,843
Surplus on revaluation of land and buildings - net of tax		688,323	691,554
NON-CURRENT LIABILITIES			
Long-term loans		-	3,125
Deferred liability for staff gratuity		26,663	23,334
Other long-term employee benefits		14,903	14,555
Deferred tax liability - net		121,742	141,734
CURRENT LIABILITIES			
Current portion of long-term loans		15,000	23,750
Trade and other payables	8	677,330	768,664
Short-term borrowings	9	497,608	544,685
Mark-up accrued on bank borrowings		7,704	6,913
		1,197,642	1,344,012
TOTAL EQUITY AND LIABILITIES		3,540,911	3,679,157

CONTINGENCIES AND COMMITMENTS

10


The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director



ASLAM SADRUDDIN
Finance Director


CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD & QUARTER ENDED 31 MARCH 2013

Note	Nine months period ended		Three months period ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)		(Rupees in '000)	
Net Sales	4,538,073	3,830,033	1,639,610	1,160,442
Cost of Sales	(4,008,475)	(3,369,431)	(1,459,852)	(1,009,702)
Gross profit	529,598	460,602	179,758	150,740
Selling costs	11 (180,211)	(141,316)	(50,743)	(50,955)
Administrative expenses	12 (92,637)	(82,189)	(31,100)	(27,208)
	(272,848)	(223,505)	(81,843)	(78,163)
	256,750	237,097	97,915	72,577
Other operating expenses	13 (18,340)	(46,478)	(5,662)	(5,912)
Other operating income	12,570	12,242	3,319	6,778
	250,980	202,861	95,572	73,443
Finance cost	(68,308)	(47,918)	(23,356)	(22,941)
Share of profit from associates	2,167	7,578	309	1,945
Impairment loss on investments	-	(30,000)	-	-
Profit before taxation	184,839	132,521	72,525	52,447
Taxation	(64,769)	(58,000)	(24,769)	(19,000)
Profit after taxation	120,070	74,521	47,756	33,447
	(Rupees)		(Rupees)	
Earning per share - basic and diluted	14 4.22	2.62	1.68	1.18

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


KAMAL A. CHINOY
 Chief Executive


HAROUN RASHID
 Director


ASLAM SADRUDDIN
 Finance Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD & QUARTER ENDED 31 MARCH 2013

	Nine months period ended		Three months period ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)		(Rupees in '000)	
Profit after tax for the period	120,070	74,521	47,756	33,447
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>120,070</u>	<u>74,521</u>	<u>47,756</u>	<u>33,447</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOI
Chief Executive



HAROUN RASHID
Director



ASLAM SADRUDDIN
Finance Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013

	<i>Note</i>	Nine months period ended	
		31 March 2013	31 March 2012
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	372,870	507,412
Staff retirement benefits paid		(610)	(430)
Finance cost		(67,517)	(46,441)
Taxation		(127,706)	5,953
Long-term loans		(1,941)	561
Long term security deposits		(2)	(180)
Net cash generated from operating activities		175,094	466,875
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(26,658)	(22,311)
Proceeds from disposal of fixed assets		6,560	2,467
Proceeds from sale of investments		-	45,978
Interest received		-	240
Dividends received		1,728	2,016
Net cash used in investing activities		(18,370)	28,390
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(11,875)	(54,708)
Increase / (Decrease) in short-term Finance		5,179	(408,202)
Dividends paid		(90,985)	(56,229)
Net cash flows from financing activities		(97,681)	(519,139)
Net increase / (decrease) in cash and cash equivalents		59,043	(23,874)
Cash and cash equivalents at beginning of the period		(113,889)	(11,560)
Cash and cash equivalents at end of the period	16	(54,846)	(35,434)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director



ASLAM SADRUDDIN
Finance Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013**

	Share capital	Share premium reserve	General reserves	Unappro- priated Profit	Total
	----- (Rupees in '000) -----				
Balance as at 30 June 2011	284,623	527,800	471,500	89,594	1,373,517
Total comprehensive income for the nine months period ended 31 March 2012	-	-	-	74,521	74,521
Transactions with owners recorded directly in equity					
Final cash dividend for the year ended 30 June 2011	-	-	-	(56,925)	(56,925)
Transfer to general reserve for the year ended 30 June 2011	-	-	32,500	(32,500)	-
Transfer from surplus on revaluation of building during July 2011 to March 2012	-	-	-	3,220	3,220
Balance as at 31 March 2012	284,623	527,800	504,000	77,910	1,394,333
Total comprehensive income for the three months period ended 30 June 2012	-	-	-	65,435	65,435
Transfer from surplus on revaluation of building during April 2012 to June 2012	-	-	-	1,075	1,075
Balance as at 30 June 2012	284,623	527,800	504,000	144,420	1,460,843
Total comprehensive income for the nine months period ended 31 March 2013	-	-	-	120,070	120,070
Transactions with owners recorded directly in equity					
Final cash dividend for the year ended 30 June 2012	-	-	-	(92,503)	(92,503)
Transfer to general reserve for the year ended 30 June 2012	-	-	51,500	(51,500)	-
Transfer from surplus on revaluation of building during July 2012 to March 2013	-	-	-	3,228	3,228
Balance as at 31 March 2013	284,623	527,800	555,500	123,715	1,491,638

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director



ASLAM SADRUDDIN
Finance Director

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2013

1. INTRODUCTION

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 2012.

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 2012.

4. PROPERTY, PLANT AND EQUIPMENT

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

	For the nine months period ended	
	31 March 2013	31 March 2012
	(Rupees in '000)	
Additions	26,658	22,311
Disposals (cost)	(13,531)	(3,543)
	(Un-audited)	(Audited)
	As at 31	As at 30
	March 2013	June 2012

(Rupees in '000)

5. STORES AND SPARES

Stores	1,510	1,861
Spares (including Rs. 1.904 million in transit) (June 2012: Rs.0.334 million)	44,252	35,170
	45,762	37,031
Provision against slow moving stores and spares	(10,472)	(10,078)
	35,290	26,953

6. STOCK-IN-TRADE

Raw materials [including Rs.269.8 million in transit (30 June 2012: Rs.434.9 million)]	446,912	633,739
Work-in-process	263,934	217,210
Finished goods	378,306	380,588
Scrap	13,007	15,372
	1,102,159	1,246,909

- 6.1 Work-in-process and finished goods include slow moving items aggregating Rs. 13.8 million (30 June 2012: Rs.11 million) and Rs. 26.7 million (30 June 2012: Rs. 17.7 million) respectively stated at their net realizable values as against their cost of Rs. 18.3 million (30 June 2012: Rs.16.1 million) and Rs. 41.7 million (30 June 2012: Rs. 47.5 million) respectively.

7. TRADE DEBTS

Considered good	723,958	715,687
Considered doubtful	22,961	23,000
	746,919	738,687
Provision for doubtful debts	(22,961)	(23,000)
	723,958	715,687

	(Un-audited) As at 31 March 2013	(Audited) As at 30 June 2012
(Rupees in '000)		

8. TRADE AND OTHER PAYABLES

Creditors	194,250	277,784
Accrued expenses	90,066	75,199
Advances from customers	170,478	223,654
Deposits from distributors	8,447	8,432
Payable to staff provident fund	313	1,299
Provision for import levies	110,422	96,893
Sales tax payable	35,414	11,337
Workers' profit participation fund	9,985	15,526
Workers' welfare fund	11,761	6,888
Income tax deducted at source	2,663	1,744
Unclaimed dividend	8,689	7,168
Others	34,842	42,740
	<u>677,330</u>	<u>768,664</u>

9. SHORT-TERM BORROWINGS

Secured - from banking companies

Running finance under mark-up arrangements	9.1	66,725	118,981
Short term finance	9.2	430,883	425,704
		<u>497,608</u>	<u>544,685</u>

9.1 Running finances under mark-up arrangements

The Company has arranged short-term running finance facilities from certain banks. The overall facility for these running finances under mark-up arrangements amounts to Rs. 2,150 million (30 June 2012: Rs. 2,195 million). The rate of mark-up on the running finance facilities ranges between 10.36% to 11.21% net of prompt payment rebate (30 June 2012: 12.91% to 14.04%). These facilities are expiring between 31 March 2013 to 30 November 2013 and are renewable.

9.2 Short term finance

The amount outstanding against the short term finance facility as at 31 March 2013 available from banks was Rs. 430.9 million (30 June 2012: Rs.425.7 million) earmarked out of the total running finance facilities of Rs. 1,225.9 million obtained from these banks. Mark up on term finance is agreed at each disbursement.

9.3 Other facilities

The facility for opening letter of credit and guarantee as at 31 March, 2013 amounted to Rs. 2,799.1 million (30 June 2012:Rs.2,609 million) of which the amount remaining unutilized as at that date was Rs. 2,493 million (30 June 2012: Rs.2,379 million).

9.4 Securities

The above arrangements are secured by way of joint hypothecation over stocks, stores and spares and present and future trade debts of the Company.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- a) The Company has issued to the Collector of Customs post-dated cheques amounting to Rs. 7.628 million (30 June 2012: Rs.4.808 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 288,365 million (30 June 2012: Rs.188.553 million) have been given to various parties for contract performance, tender deposits, etc.
- c) During the period, Company has received a show cause notice from the Collectorate (Large Taxpayers Unit, Karachi) in connection with the sales tax returns of the Company for the years 2008-9, 2009-10 and 2010-11 amounting to Rs.251 million. The department's notice is based on an interpretation of the sales tax law which the Company and the Company's Tax Advisor feel is against the spirit of the Law as the practice adopted by the Company is acceptable throughout the country universally. The department has so far not passed any order in this respect and the Company is confident of favourable outcome of this issue.

10.2 Commitments

- a) Aggregate commitments for capital expenditure as at 31 March 2013 amounted to approximately Rs.1.954 million (30 June 2012: Rs. 11.245 million).
- b) Commitments under letter of credit for the import of raw material, etc., (non capital expenditure) as at 31 March 2013 amounted to Rs. 17.942 million (30 June 2012: Rs. 31.942 million).

11. SELLING COST

	Nine months period ended	
	31 March 2013	31 March 2012
	(Rupees in '000)	
Salaries, wages & benefits	47,323	43,844
Rent, rates & taxes	1,745	1,979
Commission	918	431
Repairs and maintenance	496	264
Communication and stationary	1,766	1,642
Training, travelling & entertainment	5,407	4,279
Advertising and publicity	55,643	52,124
Carriage and forwarding expense	61,852	32,633
Depreciation	2,270	2,191
Insurance	615	428
Other expenses	2,176	1,501
	<u>180,211</u>	<u>141,316</u>

		Nine months period ended	
		31 March 2013	31 March 2012
		(Rupees in '000)	
12. ADMINISTRATIVE EXPENSES			
Salaries, wages & benefits		72,554	60,854
Repairs and maintenance		1,259	1,056
Donations		158	1,600
Legal and Professional		2,980	1,438
Auditors Remuneration		679	660
Communication and stationary		3,678	3,266
Provision for doubtful debts		105	3,998
Training, travelling & entertainment		3,417	3,417
Depreciation		4,460	3,105
Insurance		828	719
Other expenses		2,519	2,076
		<u>92,637</u>	<u>82,189</u>

13. OTHER OPERATING EXPENSES

Workers' profit participation fund	9,985	8,551
Workers' welfare fund	4,873	3,690
Exchange loss	1,622	34,237
Liquidated damages for late deliveries	1,860	-
	<u>18,340</u>	<u>46,478</u>

14. EARNING PER SHARE - Basic and diluted

	Nine months period ended		Three months period ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	(Rupees in '000)		(Rupees in '000)	
Profit after taxation	<u>120,070</u>	<u>74,521</u>	<u>47,756</u>	<u>33,447</u>
	(Number of shares)		(Number of shares)	
Weighted average number of ordinary shares issued and subscribed at the end of the period	<u>28,462,376</u>	<u>28,462,376</u>	<u>28,462,376</u>	<u>28,462,376</u>
	(Rupees)		(Rupees)	
Earning per share - basic and diluted	<u>4.22</u>	<u>2.62</u>	<u>1.68</u>	<u>1.18</u>

15. CASH (USED IN) / GENERATED FROM OPERATIONS

Nine months period ended
31 March 2013 **31 March 2012**
(Rupees in '000)

Profit before taxation	184,839	132,521
<i>Adjustments for:</i>		
Depreciation	94,215	91,095
Provision for staff gratuity	3,939	3,424
Impairment loss on investments	-	30,000
Other long-term employee benefits	348	458
Gain on disposal of fixed assets	(6,000)	(2,237)
Gain on sale of investments	-	(4,878)
Interest on bank deposits	-	(240)
Income from investment in associates accounted for under the equity method of accounting	(2,167)	(7,578)
Finance cost	68,308	47,918

Working capital changes:

(Increase) / decrease in current assets

Stores and spares	(8,337)	(789)
Stock-in-trade	144,750	213,880
Trade debts	(8,271)	(58,640)
Short-term loans and advances	(6,312)	(8,489)
Deposits and short term prepayments	724	(2,491)
Other receivables	(311)	17,734
	122,243	161,205

Increase / (decrease) in trade and other payables

(92,855)	55,724
29,388	216,929

372,870 **507,412**

16. CASH AND CASH EQUIVALENTS

As at 31 March 2013 **As at 31 March 2012**
(Rupees in '000)

Cash and bank balances	11,879	4,735
Running finance under mark-up arrangements	(66,725)	(40,169)
	(54,846)	(35,434)

17. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months period ended	
	31 March 2013	31 March 2012
Transactions with related parties:	(Rupees in '000)	
<i>Associated undertaking</i>		
Sale of goods	419,080	406,099
Discount	15,004	8,899
Purchase of goods, services and materials	34,502	38,574
Commission earned	2	289
Insurance premium	3,568	7,412
Insurance claim received	11,346	9,954
Interest received	839	761
Dividend received	1,728	2,016
Distribution expenses	-	6,157
Directors' fees	600	650
Liquidated damages for late deliveries	48	-
Share of profit of associated companies under the equity basis of accounting	2,167	7,578
<i>Other related parties</i>		
Remuneration to key management personnel	17.1 56,485	48,389
Net charge in respect of staff retirement benefit plans	17.2 7,352	22,649
	(Un-audited)	(Audited)
	As at	As at
Balances with related parties:	31 March	30 June
	2013	2012
<i>Associated undertakings</i>	(Rupees in '000)	
Trade debts (unsecured, considered good)	111,089	99,325
Trade and other payables	13	32
<i>Other related parties</i>		
Retirement benefit plans - receivable / (payable)	4,531	(3,649)
Key management personnel - long term employee benefits	668	929

- 17.1 Remuneration to key management personnel are in accordance with terms of their employment.
- 17.2 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.
- 17.3 Other transactions are at agreed terms.

18. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended 30 June 2012.

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 25 April 2013.



KAMAL A. CHINOI
Chief Executive



HAROUN RASHID
Director



ASLAM SADRUDDIN
Finance Director

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