



TRUSTED NOT TO COMPROMISE
a General Cable affiliate

Quarterly Accounts
for the period ended March 31, 2014

Illuminating Experience

COMPANY INFORMATION

Directors	<p>Mustapha A. Chinoy (Chairman)</p> <p>Haroun Rashid</p> <p>Syed Naseem Ahmad</p> <p>Saquib H. Shirazi</p> <p>Roderick Macdonald</p> <p>Ernest Kenneth Sy Cuyegkeng</p> <p>Ms. Sadia Khan</p> <p>Kamal A. Chinoy (Chief Executive)</p>
Company Secretary	Aslam Sadruddin
Legal Advisor	Muhammad Jamshid Malik
Bankers	<p>Standard Chartered Bank (Pakistan) Ltd.</p> <p>Bank Al-Habib Ltd.</p> <p>Habib Bank Ltd.</p> <p>HSBC Bank Middle East Ltd.</p> <p>MCB Bank Ltd.</p> <p>NIB Bank Ltd.</p>
Registered Office, Factory and Marketing Office	<p>B-21, Pakistan Cables Road, Sindh Industrial Trading Estates, P.O. Box 5050, Karachi-75700 Telephone Nos. 021-32561170-75 Fax : 92-21-32564614 E-mail : info@pakistancables.com sales@pakistancables.com export@pakistancables.com</p>
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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, 2014 at Rs. 4.6 billion is marginally higher than sales for the same period of last year. Gross profit of Rs. 521.3 million is 11.4% of sales against Rs. 529.6 million (11.7% of sales) in the same period of last year. Lower gross profit, both in rupee terms and percentage wise, is due to higher manufacturing expenses mainly fuel & power.

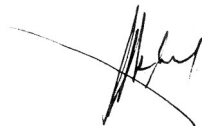
Selling and administrative expenses for the nine months are Rs. 257.7 million compared to Rs. 272.8 million in the same period of last year. The decrease is mainly due to lower expenses on account of advertising and publicity. Financial charges for the nine months period are Rs. 67.7 million compared to Rs. 68.3 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. 127.3 million compared to a profit after tax of Rs. 120.1 million in the same period of last year. Earning per share has increased to Rs. 4.47 compared to Rs. 4.22 in the same period of last year.

Pakistan's key economic indicators have started showing modest improvement. Foreign exchange reserves have improved considerably mainly due to higher remittances from overseas Pakistanis and bilateral lenders that has helped to strengthen the rupee against the US Dollar. However, security conditions, continued energy sector subsidies, growing losses incurred by state-owned enterprises, energy shortages and low tax to GDP ratio are some of the areas which need to be addressed. In view of current orders in-hand, the management of your company is confident of meeting ongoing challenges going forward.

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, 2014

CONDENSED INTERIM BALANCE SHEET
As At 31 March 2014

	Note	31 March 2014 (Un-Audited) (Rupees in '000)	30 June 2013 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,378,912	1,401,668
Investments in associate		19,610	19,766
Long-term loans		2,584	3,613
Long-term deposits and prepayments		9,425	3,184
Total non current assets		1,410,531	1,428,231
CURRENT ASSETS			
Stores and spares	5	48,202	34,058
Stock-in-trade	6	1,474,825	1,011,004
Trade debts	7	845,638	878,367
Short-term loans and advances		37,896	17,821
Short-term deposits and prepayments		21,737	6,854
Other receivables	8	111,202	25,424
Advance tax - net of provisions		343,503	178,936
Cash and bank balances	9	16,827	11,371
Total current assets		2,899,830	2,163,835
TOTAL ASSETS		4,310,361	3,592,066
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		284,623	284,623
Share premium reserve		527,800	527,800
General reserves		623,000	555,500
Unappropriated profit		130,965	181,703
		1,566,388	1,549,626
Surplus on revaluation of land and buildings - net of tax		685,431	688,728
NON-CURRENT LIABILITIES			
Deferred liability for staff gratuity		29,521	26,871
Other long-term employee benefits		17,743	15,779
Deferred tax liability - net		72,348	105,805
Total non current liabilities		119,612	148,455
CURRENT LIABILITIES			
Current portion of long-term loans		-	3,125
Trade and other payables	10	813,137	619,809
Short-term borrowings	11	1,116,845	575,790
Mark-up accrued on bank borrowings		8,948	6,533
Total current liabilities		1,938,930	1,205,257
TOTAL EQUITY AND LIABILITIES		4,310,361	3,592,066
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited)
FOR THE NINE MONTHS PERIOD & QUARTER ENDED 31 MARCH 2014

	Nine months period ended		Three months period ended	
Note	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	(Rupees in '000)		(Rupees in '000)	
Net Sales	4,577,000	4,538,073	1,810,219	1,639,610
Cost of sales	(4,055,746)	(4,008,475)	(1,594,851)	(1,459,852)
Gross profit	521,254	529,598	215,368	179,758
Selling costs	13 (136,223)	(180,211)	(50,339)	(50,743)
Administrative expenses	14 (121,478)	(92,637)	(39,610)	(31,100)
	(257,701)	(272,848)	(89,949)	(81,843)
	263,553	256,750	125,419	97,915
Other operating expenses	(18,312)	(18,340)	(8,416)	(5,662)
Other operating income	12,241	12,570	1,768	3,319
	257,482	250,980	118,771	95,572
Finance cost	(67,676)	(68,308)	(29,628)	(23,356)
Share of profit from associate	1,861	2,167	537	309
Profit before taxation	191,667	184,839	89,680	72,525
Taxation	(64,353)	(64,769)	(29,803)	(24,769)
Profit after taxation	127,314	120,070	59,877	47,756
	(Rupees)		(Rupees)	
Earning per share - basic and diluted	15 4.47	4.22	2.10	1.68

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


KAMAL A. CHINOY
Chief Executive


HAROUN RASHID
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE Nine MONTHS PERIOD & QUARTER ENDED 31 MARCH 2014

	Nine months period ended		Three months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	(Rupees in '000)		(Rupees in '000)	
Profit after tax for the period	127,314	120,070	59,877	47,756
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>127,314</u>	<u>120,070</u>	<u>59,877</u>	<u>47,756</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
FOR THE Nine MONTHS PERIOD ENDED 31 MARCH 2014

	Note	Nine months period ended	
		31 March 2014	31 March 2013
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	16	(16,108)	372,870
Staff retirement benefits paid		(990)	(610)
Finance cost paid		(65,261)	(67,517)
Taxation		(262,377)	(127,706)
Long-term loans		1,029	(1,941)
Long-term deposits and prepayments		(6,241)	(2)
Net cash (used in) / generated from operating activities		(349,948)	175,094
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(74,809)	(26,658)
Proceeds from disposal of fixed assets		2,271	6,560
Dividends received		2,017	1,728
Net cash used in investing activities		(70,521)	(18,370)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(3,125)	(11,875)
Increase in short-term loans		548,613	5,179
Dividends paid		(112,005)	(90,985)
Net cash flows from financing activities		433,483	(97,681)
Net increase in cash and cash equivalents		13,014	59,043
Cash and cash equivalents at beginning of the period		(108,536)	(113,889)
Cash and cash equivalents at end of the period	17	(95,522)	(54,846)

The annexed notes 1 to 20 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 (Un-Audited)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2014

	share capital	Share premium reserve	General reserves	Unappro- priated Profit	Total
	----- (Rupees in '000) -----				
Balance as at 01 July 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
Balance as at 01 July 2013	284,623	527,800	555,500	181,703	1,549,626
Total comprehensive income for the nine months period ended 31 March 2014	-	-	-	127,314	127,314
Transactions with owners recorded directly in equity - Final cash dividend for the year ended 30 June 2013	-	-	-	(113,850)	(113,850)
Transfer to general reserve for the year ended 30 June 2013	-	-	67,500	(67,500)	-
Transfer from surplus on revaluation of building during July 2013 to March 2014	-	-	-	3,297	3,297
Balance as at 31 March 2014	284,623	527,800	623,000	130,965	1,566,388

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


KAMAL A. CHINOI
Chief Executive


HAROUN RASHID
Director

**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)
FOR THE Nine MONTHS PERIOD ENDED 31 MARCH 2014****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, Pakistan Cables Road, 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 AND ESTIMATES**3.1 Accounting Policies**

The accounting policies and the method of computation 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 2013.

3.2 Estimates

The preparation of the 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. Estimates and significant judgments made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited financial statements for the year ended 30 June 2013.

4. PROPERTY, PLANT AND EQUIPMENT

The additions and disposals in property, plant and equipment during the period are as under:

	For the nine months period ended	
	31 March 2014	31 March 2013
	(Rupees in '000)	
Additions	<u>74,809</u>	<u>26,658</u>
Disposals (cost)	<u>(3,185)</u>	<u>(13,531)</u>
	As at 31 March 2014 (Un-audited)	As at 30 June 2013 (Audited)
	(Rupees in '000)	
5. STORES AND SPARES		
Stores	2,393	1,739
Spares [including Rs. 1.150 million in transit (30 June 2013: Rs.0.626 million)]	<u>56,425</u>	<u>42,515</u>
	<u>58,818</u>	<u>44,254</u>
Provision against slow moving stores and spares	<u>(10,616)</u>	<u>(10,196)</u>
	<u>48,202</u>	<u>34,058</u>
6. STOCK-IN-TRADE		
Raw materials [including Rs.90.9 million in transit (30 June 2013: Rs. 179.7 million)]	629,564	431,790
Work-in-process	6.1 241,702	286,657
Finished goods	6.1 592,736	272,355
Scrap	10,823	20,202
	<u>1,474,825</u>	<u>1,011,004</u>
6.1	Work-in-process and finished goods include slow moving items aggregating Rs.12.2 million (June 2013: Rs. 12.3 million) and Rs. 21.6 million (June 2013: Rs. 15.0 million) respectively stated at their net realizable values as against their cost of Rs. 16.7 million (June 2013: Rs. 16.6 million) and Rs. 39.6 million (June 2013: Rs. 26.7 million).	
7. TRADE DEBTS - unsecured		
Considered good	845,638	878,367
Considered doubtful	<u>33,397</u>	<u>22,961</u>
	<u>879,035</u>	<u>901,328</u>
Provision for doubtful debts	<u>(33,397)</u>	<u>(22,961)</u>
	<u>845,638</u>	<u>878,367</u>
8. OTHER RECEIVABLES		
Sales tax	101,260	14,206
Receivable from staff pension fund - a related party	9,741	11,191
Others	201	27
	<u>111,202</u>	<u>25,424</u>

		As at 31 March 2014 (Un-audited) (Rupees in '000)	As at 30 June 2013 (Audited)
9. CASH AND BANK BALANCES			
With banks in current accounts		16,742	11,221
Cash in hand		85	150
		<u>16,827</u>	<u>11,371</u>
10. TRADE AND OTHER PAYABLES			
Creditors		162,375	54,991
Accrued expenses		135,122	78,088
Advances from customers		271,961	266,427
Deposits from distributors		8,448	8,448
Payable to Staff Provident Fund		1,908	221
Provision for import levies		133,204	115,627
Workers' Profit Participation Fund		10,420	15,276
Workers' Welfare Fund		13,016	7,257
Tax deducted at source		14,140	2,273
Unclaimed dividend		10,342	8,499
Others		52,201	62,702
		<u>813,137</u>	<u>619,809</u>
11. SHORT-TERM BORROWINGS			
Secured - from banking companies			
Running finance under mark-up arrangements	11.1	112,349	119,907
Short term loans	11.2	1,004,496	455,883
		<u>1,116,845</u>	<u>575,790</u>

11.1 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 2013: Rs.2,150 million). The rate of mark-up on the running finance facilities ranges between 11.07% to 11.93% per annum net of prompt payment rebate (30 June 2013: 10.51% to 11.41%). These facilities will expire between 31 March 2014 to 31 October 2014 and are renewable.

11.2 Short term loans

The amount outstanding against the term finance facility as at 31 March 2014 is earmarked out of the total running finance facilities of Rs. 1,875 million (30 June 2013: Rs. 1,726 million) obtained from these banks. Mark-up on term finance is agreed at each disbursement and as at 31 March 2014 ranges from 10.35% per annum to 10.87% per annum. These are payable latest by 27 April 2014.

11.3 Other facilities

The facility for opening letter of credit and guarantees as at 31 March 2014 amounted to Rs. 2,651 million (30 June 2013: Rs.2,799 million) of which the amount remaining unutilized as at that date was Rs. 2,384 million (30 June 2013: Rs.2,515 million).

11.4 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.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- a) The Company has issued to the Collector of Customs post-dated cheques amounting to Rs. 4.50million (30 June 2013: Rs.5.127 million) against partial exemption of import levies.
- b) Bank guarantees amounting to Rs. 250.0 million (30 June 2013: Rs.281.124 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 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 Company had submitted its response to the show cause notice through its authorised representative. Subsequently, the Company received an order from the department in this connection demanding Rs. 13.8 million as default surcharge on above amount. The management in consultation with its tax advisor is of the view that the department's notice is based on interpretation of the sales tax law which is against the spirit of the law. Further, tax advisor of the Company is of the view that there will be no adverse impact on the Company. However, the Company filed an appeal against the above order through its tax advisor and judgement has been reserved by Commissioner (Appeals).

12.2 Commitments

- a) Aggregate commitments for capital expenditure at 31 March 2014 amounted to approximately Rs. 35.861 million (30 June 2013: Rs. 8.568 million).
- b) Commitments under letter of credit for the import of raw material, etc., (non capital expenditure) at 31 March 2014 amounted to Rs. 7.166 million (30 June 2013: Rs. 3.090 million).

	Nine months period ended	
	31 March 2014	31 March 2013
	(Rupees in '000)	
13. SELLING COSTS		
Salaries, wages and benefits	42,695	47,323
Rent, rates and taxes	1,689	1,745
Commission	1,208	918
Repairs and maintenance	838	496
Communication and stationary	2,083	1,766
Training, travelling and entertainment	7,256	5,407
Advertising and publicity	19,772	55,643
Carriage and forwarding expense	52,873	61,852
Depreciation	2,942	2,270
Insurance	857	615
Other expenses	4,010	2,176
	<u>136,223</u>	<u>180,211</u>
14. ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits	77,083	72,554
Office rent	5,679	-
Repairs and maintenance	2,019	1,259
Donations	1,250	158
Legal and professional	5,521	2,980
Auditors' remuneration	787	679
Communication and stationary	4,445	3,678
Provision for doubtful debts	10,435	105
Training, travelling and entertainment	3,211	3,417
Depreciation	4,655	4,460
Insurance	1,203	828
Other expenses	5,190	2,519
	<u>121,478</u>	<u>92,637</u>

15. EARNING PER SHARE - Basic and diluted

	Nine months period ended		Three months period ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	(Unaudited) (Rupees in '000)		(Unaudited) (Rupees in '000)	
Profit after taxation	<u>127,314</u>	<u>120,070</u>	<u>59,877</u>	<u>47,756</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>4.47</u>	<u>4.22</u>	<u>2.10</u>	<u>1.68</u>

16. CASH (USED IN) / GENERATED FROM OPERATIONS

	Nine months period ended	
	31 March 2014	31 March 2013
	(Rupees in '000)	
Profit before taxation	191,667	184,839
Adjustments for:		
Depreciation	97,052	94,215
Provision for staff gratuity	3,639	3,939
Other long-term employee benefits	1,964	348
Gain on disposal of fixed assets	(1,758)	(6,000)
Income from investment in associate accounted for under the equity method of accounting	(1,861)	(2,167)
Finance cost	67,676	68,308
Working capital changes:		
(Increase) / decrease in current assets		
Stores and spares	(14,144)	(8,337)
Stock-in-trade	(463,821)	144,750
Trade debts	32,729	(8,271)
Short-term loans and advances	(20,075)	(6,312)
Short term deposits and prepayments	(14,883)	724
Other receivables	(85,778)	(311)
	(565,972)	122,243
Increase / (decrease) in trade and other payables	191,485	(92,855)
	(374,487)	29,388
	<u>(16,108)</u>	<u>372,870</u>

	As at 31 March 2014	As at 31 March 2013
17. CASH AND CASH EQUIVALENTS	(Rupees in '000)	
Cash and bank balances	16,827	11,879
Running finance under mark-up arrangements	(112,349)	(66,725)
	<u>(95,522)</u>	<u>(54,846)</u>
18. 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 2014	31 March 2013
Transactions with related parties:	(Rupees in '000)	
<i>Associated undertaking</i>		
Sale of goods	425,759	419,080
Discount	10,747	15,004
Purchase of goods, services and materials	26,346	34,502
Commission earned	-	2
Insurance premium expense	-	3,568
Insurance claim received	-	11,346
Interest received	1,563	839
Dividend received	2,017	1,728
Liquidated damages for late deliveries	-	48
Directors' fee	700	600
Share of profit of associated company under the equity basis of accounting	1,861	2,167
<i>Other related parties</i>		
Remuneration to key management personnel	18.1 58,462	56,485
Net charge in respect of staff retirement benefit plans	18.2 7,336	7,352

	As at 31 March 2014 (Un-audited)	As at 30 June 2013 (Audited)
(Rupees in '000)		
Balances with related parties:		
<i>Associated undertakings</i>		
Trade debts (unsecured, considered good)	<u>105,331</u>	<u>79,365</u>
<i>Other related parties</i>		
Retirement benefit plans - receivable (net)	<u>7,833</u>	<u>5,072</u>

- 18.1 Remuneration to key management personnel are in accordance with terms of their employment.
- 18.2 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.
- 18.3 Other transactions are at agreed terms.

19. 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 2013.

20. 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 2014



KAMAL A. CHINOY
Chief Executive



HAROUN RASHID
Director



Head Office:

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