PAKISTAN CABLES

TRUSTED NOT TO COMPROMISE

65 YEARS SINCE 1953

65 YEARS OF LEADERSHIP

Annual Report 2018

About the cover

For 65 years, our brand for empowerment has been running in the veins of the country, across households, industries, infrastructure – to power growth and unleash our collective potential.

YEARS
SINCE 1953

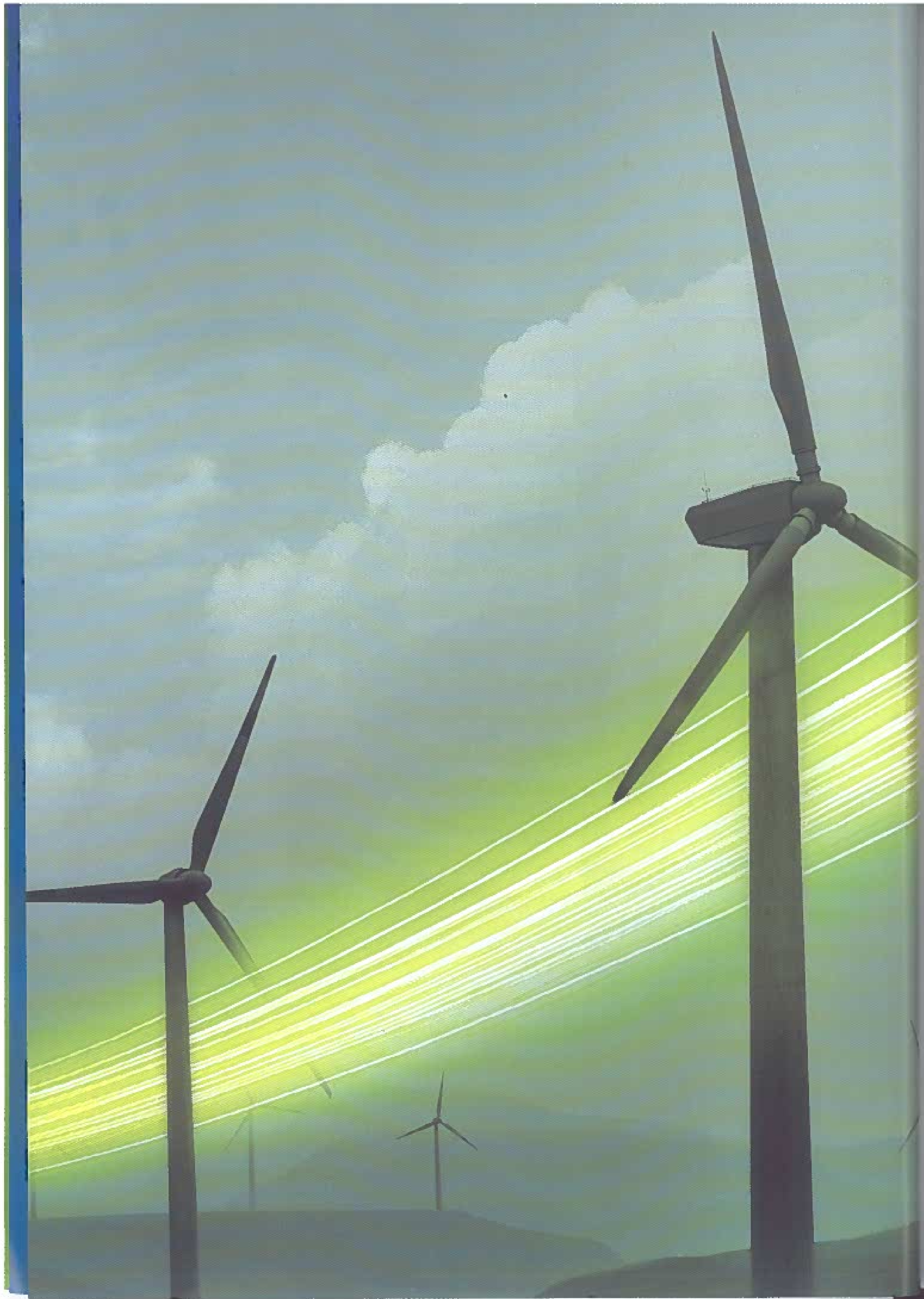
Since 1953, we are trusted not to compromise

Today, Pakistan Cables Limited (the "**Company**"), is regarded as the pioneer within the cable industry owing to its rich heritage, expertise and commitment to deliver world class products and services to its valued customers both at home and abroad.

The Company, the country's oldest and most reputable cable manufacturer, was established in 1953 as a joint venture with British Insulated Callender's Cables (BICC). In the subsequent six decades, the Company earned a reputation as a market leader and premier cable manufacturer in the country. As the only wires and cable manufacturer in Pakistan listed on the Pakistan Stock Exchange, the Company is renowned for its commitment to ethics and business excellence. Between 2010 and 2017, the Company was affiliated with General Cable, a world leader in the cable industry and a Fortune 500 Company headquartered in the United States.

The Company is ISO 9001:2015, ISO 14001:2004 and OHSAS 18001:2007 certified and has had several of its cables type tested by the world renowned KEMA Laboratory in Netherlands. With the latest award of KEMA Gold Type-test certificate, the company now holds seven KEMA certificates in total.

Through its foreign affiliations with leading international cable manufacturers the Company has been able to enhance its technical support, introduce innovative technology in the industry, leverage on management best practices, identify procurement advantages and develop export opportunities.



Contents

Vision

To be the company of first choice for customers and partners for wires and cables and other engineering products.

Mission

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

Code of Business Conduct and Statement of Ethics

This Code of Conduct applies to all employees of the Company.

- For the purposes of this Code, "employees" refers to directors, executives, officers and employees of the Company.
- The Board and the Management are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility and not to transgress them.
- All employees should be sure that they understand and abide by the spirit as well as the letter of this Code and that violation of any of the Code's provisions could result in disciplinary action.

Salient features of the Company's code of conduct are as below:

(a) Business Ethics

i. The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings showing respect for the interest of all stakeholders.

ii. The Company is dedicated to providing a safe and nondiscriminatory working environment for all employees.

iii. The Company does not support any political party or contributes funds to groups whose activities promote political interests.

iv. The Company is committed to provide products, which consistently offer value in terms of price and quality and are safe for their intended use, to satisfy customer needs and expectations.

v. The Company is committed to run its business in an environmentally sound and sustainable manner and promote preservation of the environment.

(b) Conflict of Interest

i. Every employee should conduct his/ her personal and business affairs in a manner such that neither a conflict, nor the appearance of a conflict, arises between those interests and the interests of the Company.

ii. An employee should avoid any situation in which he or she, or a family member, might profit personally (directly or indirectly), from the Company's facilities, its products, or Company's relationship with its vendors or customers.

iii. An employee should not permit himself/ herself (or members of his/ her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways like key chains, calendars, etc. and attendance at conferences and seminars would not be considered a violation of this Code.

iv. In case an employee is offered or receives something of value which he/she believes may be impermissible under this Code, he /she should disclose the matter.

v. All employees should avoid any kind of bribery, extortion and all other forms of corruption.

vi. Conflict of interest should be avoided and disclosed where they exist and guidance should be sought from superiors.

(c) Accounting Records, Controls and Statements

i. All books, records, accounts and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations.

ii. Employees are expected to sign only documents or records which they believe to be accurate and truthful.

(d) Environment

i. The Company is committed to carrying its business in an environmentally sound and sustainable manner and promote preservation of the environment.

ii. All employees are required to adhere strictly to all applicable environmental laws and regulations that impact Company's operations.

(e) Regulatory Compliance

i. The Company is committed to make prompt public disclosure of "material information" regarding the Company as prescribed in the Pakistan Stock Exchange Regulations.

ii. Where an employee is privy to the information, which is generally referred to as "material inside information", the same must be held in the strictest confidence by the employee involved until it is publicly released.

iii. The employees shall abide by the appropriate Competition Laws and shall not enter into understandings, arrangements, or agreements with competitors which have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers.

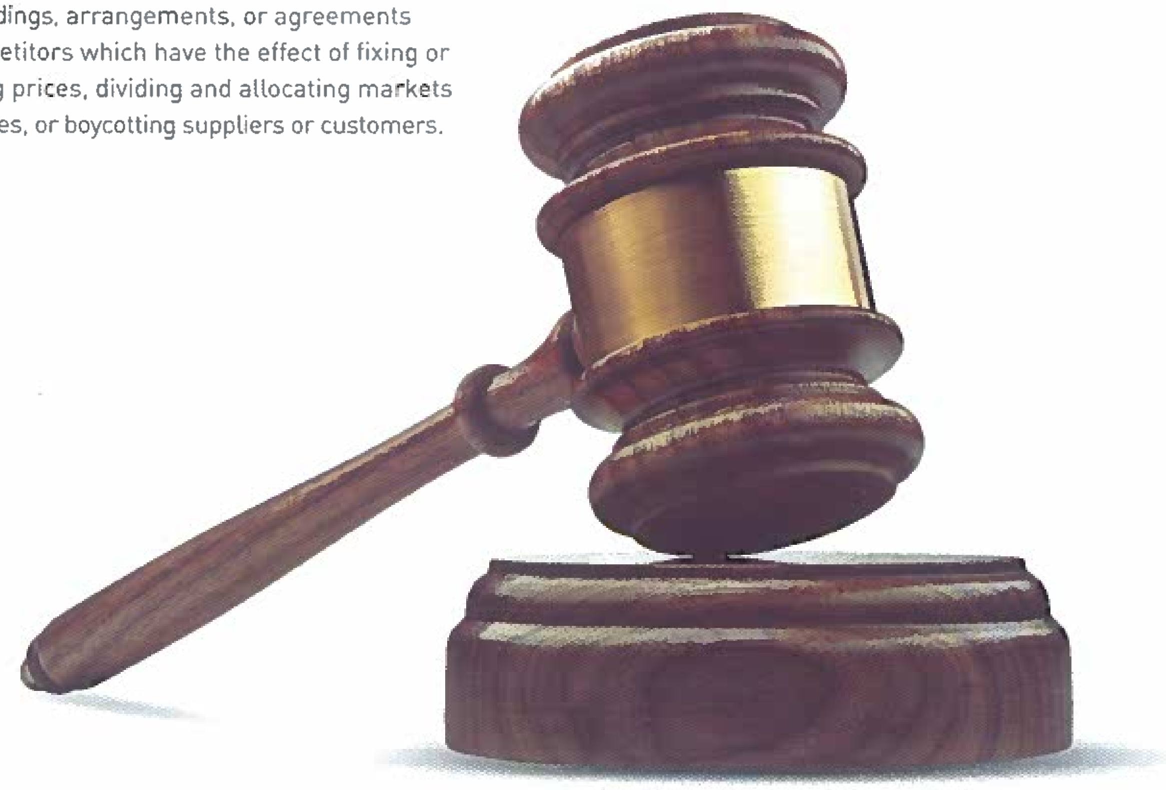
(f) Personal Conduct

i. All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on Company business.

ii. All employees should avoid any kind of bribery, extortion and all other forms of corruption.

iii. Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.

iv. Any legally prohibited or controlled substances if found in the possession of any employee will be confiscated and where appropriate, turned over to the authorities.



Group Profile

Mr. Amir S. Chinoy laid the foundation of the Chinoy group of companies, which includes number of entities. Some of the leading companies include:

International Industries Ltd. — Promising Reliability, For Now and Tomorrow

Incorporated in 1948
Listed on PSX since 1984

Product Lines:
GI Pipes, Cold Rolled Steel Tubes, 1B Pipes, Firefighting Pipes, Scaffolding Pipes, API Line Pipes, LTZD Profiles, Structural Sections, Pre-Galvanized Tubes, PPRC Pipes & Fittings, HDPE Water Pipes, MDPE Gas Pipes, HDPE Pipes

25 PKR Billion Turnover (2017 - 2018)

Pakistan Cables

Incorporated in 1953
Listed on PSX since 1955

Product Lines:
Wires and Cables, Conductors, Copper Rod, Aluminium Profiles, PVC Compound

9.5 PKR Billion Turnover (2017 - 2018)

International Steels Limited — Shaping Tomorrow

Incorporated in 2007
Listed on PSX since 2011

Product Lines:
Cold Rolled Steel, Hot Dip Galvanized Steel, Color Coated Steel

47 PKR Billion Turnover (2017 - 2018)

Group Facts:

Over PKR **81** Billion Turnover (2017 - 2018)	**3,600+** Employees	**60** Export Destinations	**65** Years of Production

Strategic Objectives

The Company's key strategic objectives comprise contributing to the well-being of its customers by ensuring provision of quality products that consistently meet all relevant international standards. The Company is committed to increasing stakeholder value through continuous improvement of its production processes and the variety of products that it offers, while ensuring optimum efficiency and timely environmental impact.

In addition to this, the Company is focused on streamlining its human resource policies and improving its standard operational procedures. Annual financial targets relating to profitability and capital structure are monitored to ensure that the Company generates value for its shareholders. The Company's corporate strategy concentrates on remaining competitive in the wires and cables industry through continued focus on consumer needs and maintenance of product quality in addition to consistently working on after sale service, research and development, cost economization and efficiency improvements.

Company Information

Board of Directors

Mr. Mustapha A. Chinoy	Non-Independent Non-Executive Director	Chairman
Mr. Haroun Rashid	Non-Independent Non-Executive Director	
Mr. Roderick Macdonald	Non-Independent Non-Executive Director	
Ms. Sadia Khan	Independent Non-Executive Director	
Mr. Saquib H. Shirazi	Non-Independent Non-Executive Director	
Mr. Shoaib Mir	Non-Independent Non-Executive Director	
Mr. Kamal A. Chinoy	Executive Director	Chief Executive
Mr. Fahd Kamal Chinoy	Executive Director	
Mr. Muhammad Ashfaq Alam	Executive Director	

Board Audit Committee

Ms. Sadia Khan	Chairperson
Mr. Haroun Rashid	Member
Mr. Roderick Macdonald	Member

Human Resource and Remuneration Committee

Ms. Sadia Khan	Chairperson
Mr. Mustapha A. Chinoy	Member
Mr. Roderick Macdonald	Member
Mr. Saquib H. Shirazi	Member
Mr. Kamal A. Chinoy	Member

Company Secretary
Ms. Nazifa Khan

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor
Barrister M. Jamshid Malik

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- 32561110-75
Fax: +92-21-32564614
Email: info@pakistancables.com
Website: www.pakistancables.com

Head Office
1st Floor, Arif Habib Centre
23 M.T Khan Road, Karachi
UAN: 111-CABLES (222-537)
Fax: +92-21-32462111
Email: sales@pakistancables.com

Regional Offices

Lahore
Pakistan Cables Limited, 60/A Zahoor Elahi Road,
Gulberg 4, Opp. FC College, Lahore
Tel: +92 -42- 35785611-4
Email: lahore@pakistancables.com

Rawalpindi
2nd Floor, Plaza 88, Block – B, Civic Centre,
Phase IV, Bahria Town, Rawalpindi
Tel: +92 -51-5732724-25
Fax: +92-51-5732426
Email: pindi@pakistancables.com

Branch Offices

Multan
1592, 2nd Floor, Quaid-e-Azam Shopping Centre,
Aziz Shaheed Road, Cantt Multan.
Tel: +92 -61-4583332/4504446
Fax: +92-61-4549336
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Faisalabad
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Main Susan Road, Faisalabad.
Tel: +92 -41-8720036-7
Email: faisalabad@pakistancables.com

Abbottabad
13-14, Sitara Market, Mansehra Road, Abbottabad.
Tel: +92 -992-863153-54
Fax: +92-992-385510
Email: abbottabad@pakistancables.com

Peshawar
Shop 1 and 2, 1st Floor, Hurmaz Plaza, Tambwan More,
University Road, Peshawar.
Tel: +92 -91-5845068
Fax: +92-91-5846314
Email: peshawar@pakistancables.com

Muzaffarabad
50-B, Commercial Area, Upper Chattar, Muzaffarabad.
Tel: +92 -5822-432088
Fax: +92-5822-432092
Email: muzaffarabad@pakistancables.com

Management Objectives and Critical Performance Indicators

Objectives	CPIs	Future Relevance
Customer Satisfaction: The Company values its customers and their loyalty tremendously; as such the Company continually works towards enhancing the satisfaction of its customers by extending credit facilities, trade discounts, loyalty club rewards and more. The Company has continual testing mechanisms in place to ensure the quality of its products, and efficient after-sales procedures, to keep our customers satisfied.	Product turnover Market share Geographical presence	Yes
Maintaining Standard of Excellence: The Company is geared toward consistently meeting international standards by ensuring selection of the world's best quality raw materials, world-class workmanship and a rigid quality assurance and control regime.	Technological Advancements Stringent Internal Testing Mechanisms Certifications Accreditations	Yes
Varied Product Portfolio: With ever-evolving customer needs, the Company is focused on research and development to ensure that it is offering up to date with evolving trends in the industry. Our products consistently conform to the relevant international standards in order to ensure smooth flow of electricity, better performance of electrical appliances and safety to life and property.	Product range Market research	Yes
Enhancing Employee Satisfaction: Our employees are our most valued resource. The Company endeavors to provide a nurturing, friendly, supportive and equal opportunity work environment, with significant growth potential and training opportunities.	Training opportunities Appropriate evaluation processes Sound policies and procedures	Yes
Maintaining Shareholder Satisfaction: The Company is cognizant of the trust that is placed in the Company by its shareholders; it is a priority for the Company to protect the interest of its shareholders and maximize their return by adequate dividend payouts.	Appropriate return on investment Timely addressing of share transactions	Yes

Objectives	CPIs	Future Relevance
Regulatory Compliance: The Company prides itself on being a good corporate citizen, with timely, and transparent, disclosures to its regulators and operating in compliance with effective laws and policies of the Government of Pakistan.	Adherence to legal requirements Timely fulfillment of compliance processes	Yes
Sustainability: The Company continually seeks to operate in an efficient and environmentally friendly manner, working to reduce its carbon footprint. CSR projects are developed and implemented by the Company for the benefit of the community at large.	Community development Occupational safety and health	Yes

Geographical Presence

Head Office:
- ★ Karachi

Regional Offices:
- ▲ Lahore
- ▲ Rawalpindi

Branch Offices:
- ■ Peshawar
- ■ Abbottabad
- ■ Muzaffarabad
- ■ Multan
- ■ Faisalabad

THE LARGEST DEALER NETWORK IN

170+

CITIES ACROSS PAKISTA

Nature of Business

Introduction

The Company is a pioneer in Pakistan's wires and cables industry. The Company is principally engaged in the manufacture of conductors, wires and cables for transmission and distribution of electricity since 1953. In 1979, the Company started extrusion of aluminium rod from billets, which was upgraded in 1984 to manufacture anodized aluminium profile sections for architectural applications. In 1996, the Company set up a state of the art plant to manufacture High Conductivity Oxygen Free (HCOF) Copper Rod. Due to the increased requirement of rods for manufacturing wire and cables as a result of growing customer demand, the production capacity of the plant has been regularly enhanced over recent years. In 2008, the Company set up a PVC Compounding Plant to manufacture high quality electric cable grade PVC compound. The Company also set up a 2-MW gas fired tri-generation Power Plant, allowing it to be mostly self-sufficient for its electricity needs.

Industry

The Company is the only listed company in the cable industry, which comprises of a few large players, a handful of small localized producers and a growing percentage of imports. Within the cable industry, the prices of cables, copper rod and aluminium extrusions are closely linked to the global markets for copper and aluminium. Both base metals are traded on the London Metal Exchange (LME), the world's premier non-ferrous metals market. The price of both these metals is therefore determined at the LME and any fluctuations in copper or aluminium prices have a direct effect on the pricing of our products.

Main Markets

The Company has established itself as a key player in the manufacturing sector with more than 60 years of experience in the wire and cables business. Our business is driven by the strength, growth prospects and activity in the end markets where our products are used. Our products are primarily used in projects of all kinds, including infrastructure, factories, commercial and residential construction. Cable and conductors are also used in the transmission and distribution of electricity by the country's utility companies. We manufacture an extensive array of world-class quality wires and cables to meet the diverse, dynamic and time-sensitive needs of our customers.

The business of Alumex showed an upward trend and growth. The Company aims to secure new avenues in the institutional and project sectors across the country which provide better territorial reach in the market. Efforts are being made to consolidate existing relationships in the market along with the creation of new ones.

Business Model

i To continue to generate market awareness of our brand and educate the consumer about the benefits of cables and wires that are of the highest quality thereby remaining the customer's first preference;

ii To identify profitable markets and optimal product mix and tailor our product offerings accordingly;

iii To ensure that products are made easily available to the customer through our network of dealers, distributors, stockists and warehouses, and by providing optimal direct sales coverage (where relevant); and

iv To penetrate targeted markets through cost benefit analysis and customized service offering.

Legal Environment

The Company operates under the Companies Act 2017, which has recently replaced the Companies Ordinance 1984 and the Listed Companies (Code of Corporate Governance) Regulations 2017. Insofar it is registered and licensed by the Securities and Exchange Commission of Pakistan. The Company is also listed on the Pakistan Stock Exchange and is regulated by the PSX Rule Book and all circulars/notifications issued thereunder. The Company's trade network covers over 170 cities and towns across Pakistan and warehouses and power cable stockists in major cities of the country. Over the year, the company successfully won large orders from the projects segment in several areas including ports and shipping, cement, power and energy, airports and infrastructure, auto industry and with builders and developers. Moreover, the Company was successful in winning selective tenders from utility companies and won export orders from various customers.

Product Portfolio

We offer a versatile portfolio of wires and cables, conductors, aluminum sections for architectural applications, copper rod and PVC compound. The continued growth of our businesses is a testament of our well-rooted, far-reaching success.

Wires and Cables

Pakistan Cables Limited manufactures a broad range of wires and cables that conform to national and international standards. Wires and cables are manufactured using 99.99 percent pure LME registered "A" grade copper cathodes which results in multiple benefits to our end users such as:

- Lower electricity billing
- Optimum efficiency of appliances
- Safety to life and property
- Better energy utilization

General Wires and Cables

We broadly categorize available general wires and cables as follows:

- Single core cables range from 1 mm2 to 10 mm2
- Large single core cables from 16mm2 to 70mm2
- Multi-core cables from 1 mm2 to 10 mm2 and
- Flexible multi-core cables from 1mm2 to 4mm2 In addition, customized requests are regularly facilitated for our customers' specific requirements.

Medium Voltage (MV) and Low Voltage (LV) Cables

We manufacture Medium Voltage (MV) cables up to15 kV and Low Voltage (LV) power cables up to 3.3 kV. We can supply various types of insulation required PVC/XLPE/LSZH where relevant and customized to customers' preferences. All cables manufactured by Pakistan Cables Limited are subjected to rigorous in-house quality checks.

Fire Retardant Cables

We also supply cables for specialized needs with greater flame propagation ability and better protection against fire. These cables use specialized materials such as Low Smoke Zero Halogen (LSZH) insulation in combination with various constructions and compounds. To our knowledge, Pakistan Cables Limited is the only company in Pakistan to have specialized in-house flame propagation testing capability, which gives us a competitive edge.

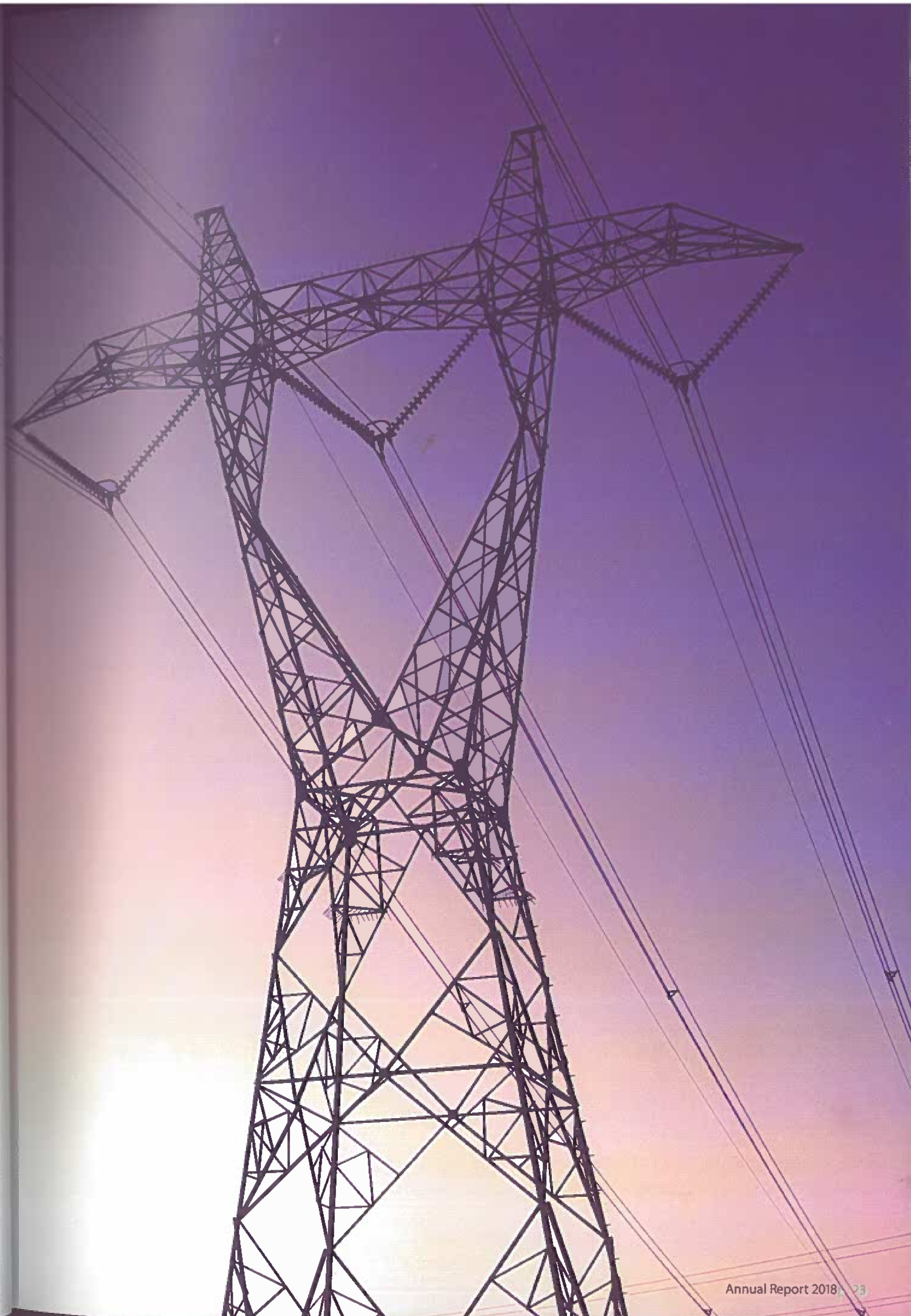
Other Wires and Cables

We also manufacture various other types of wires and cables products to meet versatile needs of our customers, which include but are not limited to:

- Indoor Telephone / Intercom Cables Control Cables (PVC and XLPE insulated)
- Screened Power and Control Cables
- Auto Cables
- Coaxial Cables
- Submersible Cables

Conductors

With growing power demands in Pakistan, the use of overhead conductors for power transmission has increased. Pakistan Cables Limited provides high quality overhead conductors to Pakistan's utility companies. These include Aluminium Conductor Composite Core (ACCC®), Aluminium Conductor Steel Reinforced (ACSR®) for various voltage grade, All Aluminium Conductor (AAC®), Plain Annealed Copper Conductor (PACC®) and Hard Drawn Bare Conductor (HDBC®). Pakistan Cables Limited is also the only supplier in Pakistan to offer High Tension Low Sag ACCC® (Aluminium Conductor Composite Core), which is a state of the art product that provides various benefits including reduced line losses and higher ampacity. While this is a proven technology across the world with over 50,000 kilometers installed, this product has recently been introduced for the first time by Pakistan Cables Limited in Pakistan and is expected to result in considerable benefits to the country's overloaded transmission infrastructure. This product is offered in collaboration with CTC Global Inc., which is a US headquartered market leader in the technology. There is a growing awareness of this technology within Pakistan and NTDC and various distribution companies have rolled out plans to enhance their transmission and distribution networks with ACCC, particularly following the successful completion of NTDC's Gatti-Nishatabad ACCC pilot project.



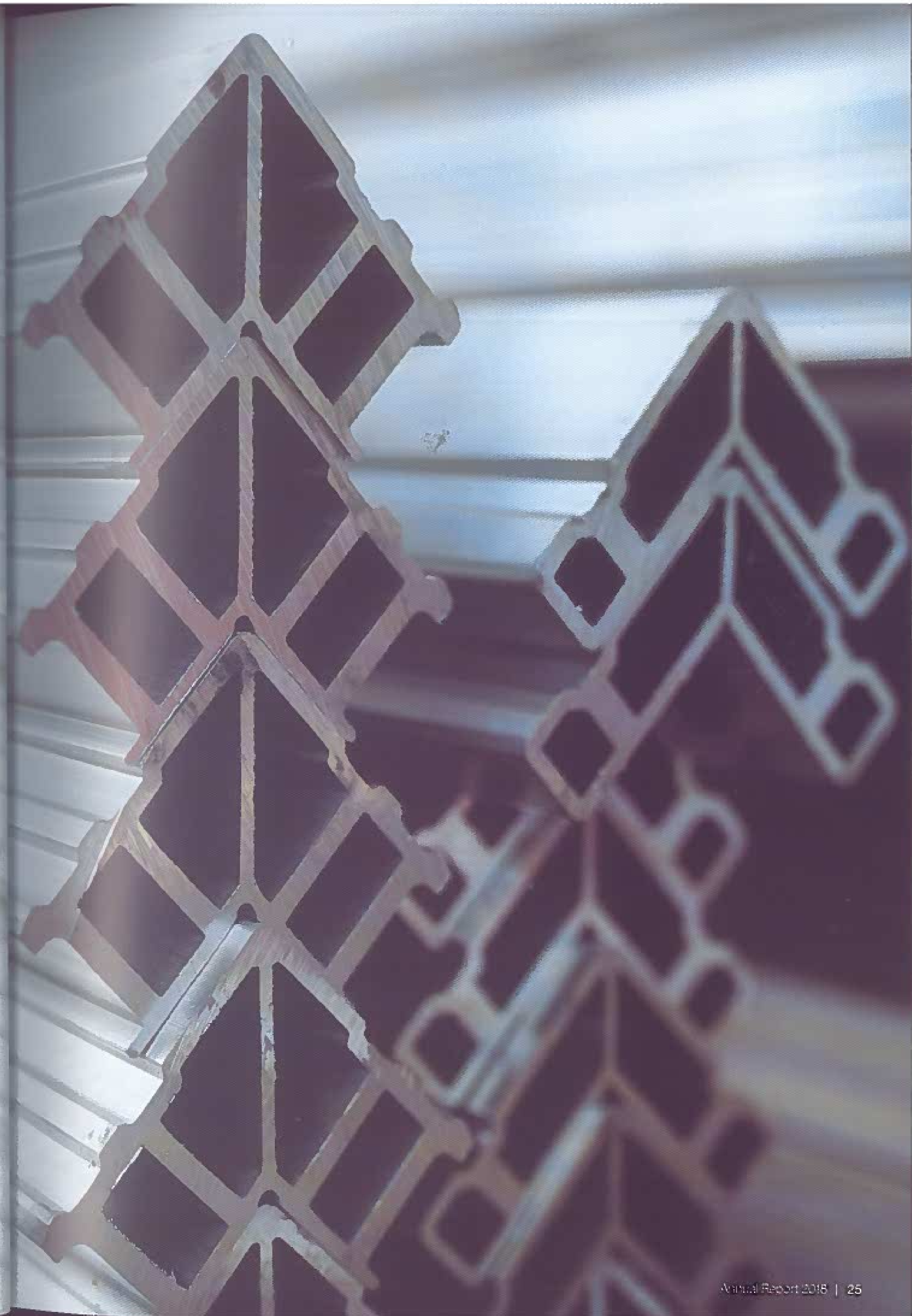
ALUMEX

Aluminium Sections for Architectural Applications

ALUMEX® sections are extruded from prime quality imported AA 6063 billets. This is the internationally recommended Aluminum grade for architectural and structural applications. These sections are anodized on a fully automated plant. Anodized sections are offered in 4 different colors, while powder coated sections are available in any imaginable color to match the taste of the customer. For all powder-coated sections, only polyester based powders are used, which are manufactured and supplied by reputable companies. These coatings are thermosetting types, especially designed for 'façade' use. They can withstand the rigors of ultra violet rays in the atmosphere.

APPLICATION:

ALUMEX® sections, whether anodized or powder-coated, are suitable for a wide range of applications: Structural Glazing and Curtain Walls, Double Glazed Doors and Windows, Hinged Doors and Windows, Glass Doors/Swing Doors, Double Glazed Sliding Doors/Windows, Fixed Glazing/Shop Fronts.



Copper Rod

Since 1996 we have been manufacturing 8mm Copper Rod that uses only LME registered "A" grade copper cathodes. We are the only Pakistani manufacturer to have a state of the art Up-cast plant, which produces High Conductivity Oxygen Free Copper Rod used in wire manufacturing. This is 99.99 percent pure copper with minimum oxygen content, which achieves 101% IACS conductivity.

Specific characteristics of High Conductivity Oxygen free Copper Rod Include:

- High ductility
- High electrical and thermal conductivity
- High impact strength
- Good creep resistance
- Low relative volatility under high vacuum

PVC Compounds

Since 2008, Pakistan Cables Limited has been producing flexible PVC compounds for insulation and sheathing of electric cables, and other flexible PVC compounds for external sale at its exclusive PVC Compound Plant. Pakistan Cables Limited uses the most sophisticated machinery, including automated weighing and dosing systems for each component of the various formulations. The plant also has a polymers laboratory to enable the development of customer specific formulations.

Quality Assurance

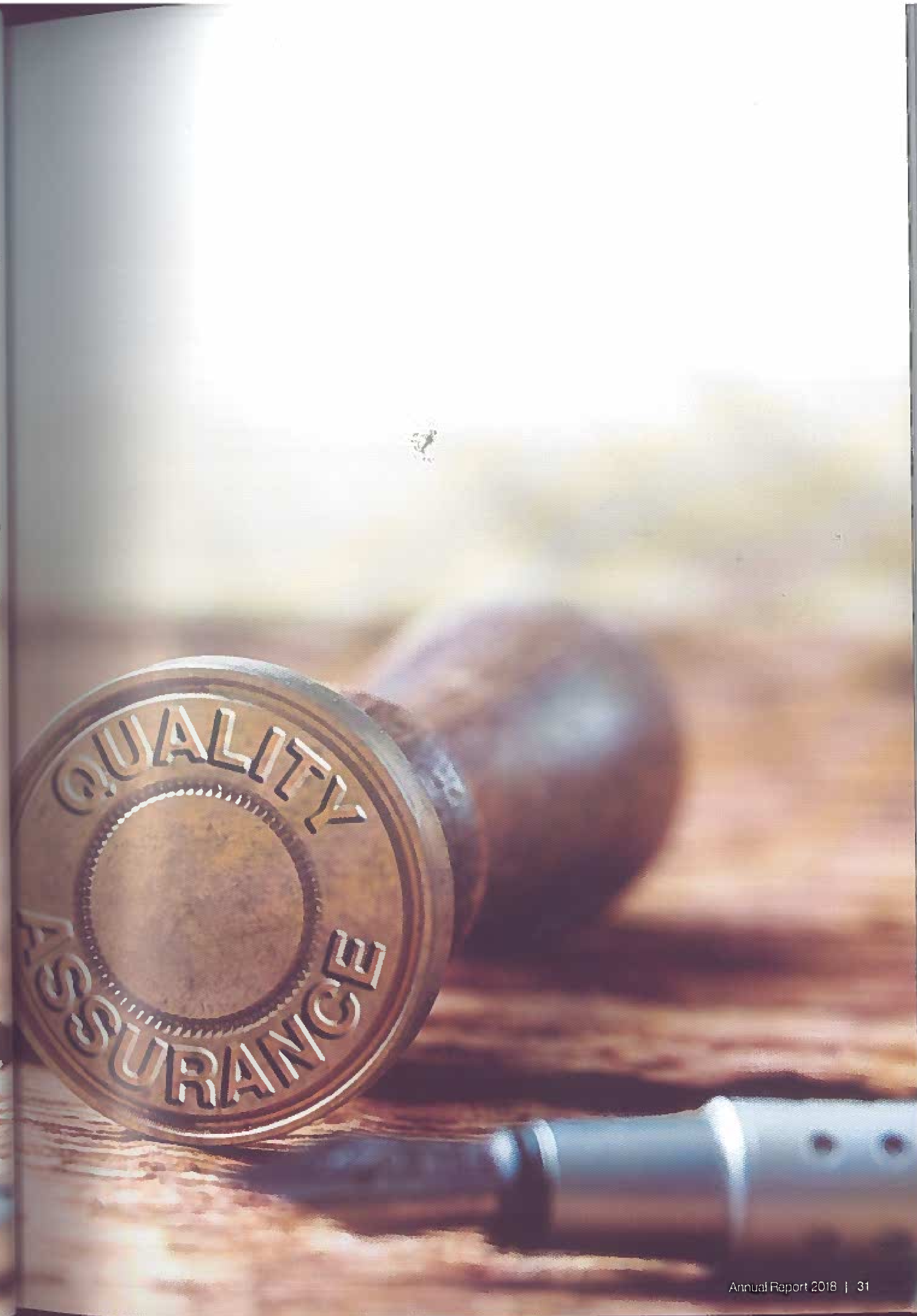
The Company is committed to strive for product quality, excellent customer service, innovation and efficiencies. The Company reiterates its commitment to consistently deliver enhanced value to its customers, through continual improvement of its product and processes. The Company satisfactorily complies with all the requirements of the ISO 9001:2015 for all its products as certified by BVQI, UK.

The Company has highly advanced quality assurance and PVC laboratories, which are equipped with the latest equipment and are manned by professional and skilled personnel that check process variables at every step of the manufacturing process, to ensure that all our final products are in compliance with the relevant international specifications. The Company is the first cable manufacturer in Pakistan with medium and low voltage cables that have been accepted as world class following the type testing and certification of its products by KEMA laboratory in Netherlands. In addition to this, the Company's products are also PSQCA certified, ERDA (Electrical Research and Development Association), India, TUV SUD PSB Pte. Ltd., Singapore, and have also been successfully type tested in Pakistan's well reputed High Voltage and Short Circuit Laboratory in Rawat.

Moreover, the Company is the only Pakistani manufacturer approved by Oman's regulatory authority to sell into the Oman market.

To the best of our knowledge, the Company is the only cable manufacturer in Pakistan that has a state- of-the-art Fire Test laboratory, which has the facility to perform the following tests, required for Low Smoke Zero Halogen (LSZH) Fire Retardant cables:

- Test for vertical flame propagation for a single insulated wire or cable in accordance with IEC 60332-1-2;
- Test for Vertical flame spread of vertically-mounted bunched wires or cables in accordance with IEC 60332-3, Category A, B, C and D;
- Smoke density test in accordance with IEC 61034-1 and 2;
- Test on gases evolved during the combustion of electric cables; and
- Halogen, acid gas emission test as per IEC 60754-1 and 2.



65 YEARS OF PROGRESS

Good governance is a business imperative for us. Today, we have stronger internal controls, better-managed risk and an accountable management - trusted to protect interests of all shareholders.

Board of Directors

Left to Right (Sitting)
Mr. Fahd Kamal Chinoy
Mr. Kamal A. Chinoy
Mr. Mustapha A. Chinoy
Mr. Roderick Macdonald
Mr. Haroun Rashid

Left to Right (Standing)
Mr. Saquib H. Shirazi
Mr. Shoaib Mir
Ms. Sadia Khan

Directors' Profile

Mr. Mustapha A. Chinoy
Chairman-Non-Independent Non-Executive Director

Holds a B.Sc in Economics from the Wharton School of Finance, University of Pennsylvania, USA with a major in Industrial Management and Marketing.

Mr. Mustapha Chinoy is currently the Chairman of Pakistan Cables Limited as well as International Industries Limited. He is a Director on the Board of International Steel Limited, Travel Solutions (Pvt.) Limited, Global E-Commerce Services (Pvt.) Limited, Crea8ive Bench (Pvt.) Limited and Global Reservation (Pvt.) Limited. Additionally, he is the Chief Executive Officer of Intermark (Pvt.) Limited.

Mr. Mustapha Chinoy has previously served on the Board of Union Bank Limited un[til] it was acquired by Standard Chartered Bank.

Mr. Mustapha Chinoy has been on the Board of Pakistan Cables Limited since January 1, 1986.

Mr. Haroun Rashid
Non-Independent Non-Executive Director

Is a Fellow Member of the Institute of Chartered Accountants (England and Wales) as well as a Certified Investment Advisor and Securities Dealer with the Securities Commission of Hong Kong. Presently, Mr. Rashid is also on the Board of MCB Bank Limited and MCB Arif Habib Savings and Investments Limited. He is also the Chairm[an] of the Audit Committee of MCB Arif Habib Savings and Investments Limited.

Previously Mr. Rashid has been the Managing Director of Kashmir Edible Oils Limited an[d] ANZ Securities Asia Limited – Hong Kong and been a Director of the Financial Executives Institute – Hong Kong, Public Procurement Regulatory Authority (PPRA), Pakistan Agriculture Storage and Services Corporation Limited, Union Bank Limited and Fide[lity] Investment Bank Limited. He has also been a Governor of Lahore General Hospital.

Mr. Rashid has been on the Board of Pakistan Cables Limited since May 17, 1993.

Mr. Roderick Macdonald, MBE
Non-Independent Non-Executive Director

Is a consultant with CORE Corporate Consulting LLC. Prior to this Mr. Macdonald spen[t] 12 years as Executive Vice President of Global Sales and Business Development fo[r] General Cable Corporation. He joined General Cable in 1999 as Senior Vice Presid[ent] and General Manager of their Building Wire business.

From 1994 he held various executive appointments within Commonwealth Industri[es] including President of Alflex Corporation. He began his career in military and government service. He served 25 years as an officer in the British Army, Royal Engineers, which included leading soldiers in combat in Northern Island and the Falkland Islands. He ended his distinguished career as Brigadier.

Mr. Macdonald holds a Bachelor of Science degree in Mechanical Engineering from the Royal Military College of Scien[ce] and completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Institute of Mechanical Engineers in the UK and a registered (Chartered) engineer in both the UK and Europe. He was made a Member of the Order of the British Empire (MBE) in the UK in 1983.

Mr. Macdonald has been on the Board of Pakistan Cables Limited since November 23, 2010.

Ms. Sadia Khan
Independent Non-Executive Director

has an MBA from INSEAD (France) and a Masters in Economics from both Yale University (USA) and Cambridge University (UK).

Ms. Khan has extensive experience in finance and management having worked with highly reputed institutions. She has worked as a Corporate Analyst with Lehman Brothers USA, Consultant with the United Nations Development Programme, Financial Economist with Asian Development Bank (Philippines), Executive Director with Securities and Exchange Commission of Pakistan and Head of Strategic Management with State Bank of Pakistan.

Ms. Khan is presently the CEO of Selar Enterprises (Pvt.) Limited and Director of Delta Group of Companies, INSEAD, Karandaaz, Engro Fertilizer and Habib Bank Limited. She is also a certified director from the Pakistan Institute of Corporate Governance as well as having undertaken the International Directors Program offered by INSEAD.

Ms. Khan has been on the Board of Pakistan Cables Limited since January 18, 2013.

Mr. Saquib H. Shirazi
Non-Independent Non-Executive Director

Is an MBA from the Harvard Business School. He is presently the Chief Executive Officer of Atlas Honda Limited and is also on the Board of Atlas Engineering Limited, Atlas Autos (Pvt.) Limited, Atlas Hitec (Pvt.) Limited, Atlas Die Casting (Pvt.) Limited, Atlas Power Limited, Atlas Energy Limited, Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Venture Limited (UAE), Atlas Global FZE (UAE) and Cherat Cement Company Limited.

Previously, Mr. Shirazi has served on the Boards of Sui Southern, Pakistan Petroleum, ISGC and Cherat Paper. He has also formerly served as a Trustee on the Board of Lahore University of Management Sciences (LUMS) and currently sits on the Advisory Council of the NUST University. He was President of Harvard Business School's Global Alumni Board for the years 2007-2009

Mr. Shirazi has been on the Board of Pakistan Cables Limited since May 8, 2008.

Mr. Shoaib Mir
Non-Independent Non-Executive Director

Is an officer of the Federal Government in BS-22 (PAS), presenting serving as Chairman of State Life Insurance Corporation. He joined the Civil Service in 1986 and has significant experience in senior management positions in diverse fields, including Public Sector Management, Administration, Finance, Health Insurance and Planning. Prior to his current posting, he has held positions of Chief Secretary, Balochistan and Federal Secretary Education and Professional Training.

Mr. Mir has an MBBS degree along with a diploma from the John F. Kennedy School of Government at the Harvard University. He is also a certified director from the Pakistan Institute of Corporate Governance.

Mr. Mir is also on the Board of Sui Northern Gas Pipelines Limited, Fauji Fertilizer Company Limited, International Industries Limited, Pakistan Re-Insurance Company Limited, Security Papers Limited and Pak Datacom Limited.

Mr. Mir has previously been on the Board of Pakistan Cables Limited from October 6, 2016 to May 4, 2017; in his current term, he has been on the Board of Pakistan Cables Limited since November 8, 2017.

Mr. Kamal A. Chinoy

Executive Director (Chief Executive)

Is a graduate of Wharton School, University of Pennsylvania, USA and is the Honorary Consul General of the Republic of Cyprus. He is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP).

Mr. Kamal Chinoy is a certified director from the Pakistan Institute of Corporate Governance. He has served as Chairman of the Aga Khan Foundation (Pakistan) and also as a Director of Pakistan Centre of Philanthropy, Pakistan Security Printing Corporation and Atlas Insurance.

Currently Mr. Kamal Chinoy is the Chairman of Jubilee Life Insurance Co as well as Director of International Industries Limited, International Steels Limited, Atlas Power Limited, NBP Fullerton Asset Management Limited, ICI Pakistan Limited, Jubilee Life Insurance Company Limited, Askari Bank Limited and a member of the Board of Governors of Army Burn Hall Institution. He is also an advisor to Tharpak, a consortium of international companies exploring energy opportunities in the Thar coalfield.

Mr. Kamal Chinoy has been on the Board of Pakistan Cables Limited since May 31, 1992.

Mr. Fahd Kamal Chinoy

Executive Director

Is an MBA from INSEAD (France) and has a Bachelor of Arts in Economics and Political Science from the University of Pennsylvania, USA. He is presently Executive Director of Sales, Marketing, Materials, Export and Information Technology at Pakistan Cables Limited.

Mr. Fahd Chinoy has previously served in the banking industry, having worked with Securities in New York and Toronto as an Associate in various departments including Loan Syndications and Corporate Banking. He is currently also a Director of Focus Humanitarian Assistance Pakistan and the Amir Sultan Chinoy Foundation and is a certified director from the Pakistan Institute of Corporate Governance.

Mr. Fahd Chinoy has been on the Board of Pakistan Cables Limited since May 5, 2017.

Mr. Muhammad Ashfaq Alam

Executive Director

has a Masters degree in Finance and Accounts, with significant experience in the manufacturing sector, including Pakistan Metal Industries and Pakistan Cables Limited, where he has been a valued member of the organization for over 20 years.

His expertise lies in the field of Finance and Share Management and he has completed several skill development workshops on corporate law and taxation law.

Mr. Alam has been on the Board of Pakistan Cables Limited since January 29, 2016.

Committees of the Board

Board Audit Committee Report

Composition

The Board Audit Committee comprises of three Non-Executive Directors. The members of the Board Audit Committee are:

Chairperson: Ms. Sadia Khan (Independent Non-Executive Director)

Members:

Mr. Haroun Rashid (Non-Independent Non-Executive and financially-literate* Director)

Mr. Roderick Macdonald (Non- Independent Non-Executive Director)

*as defined in the Listed Companies (Code of Corporate Governance) Regulations, 2017, Chapter X, Regulation 28 (1) (c)

Meetings and Attendance

Four Board Audit Committee meetings were held during the financial year ended June 30, 2018. Details of attendance of each member of the Board Audit Committee meetings are as follows:

Director's Name	Attendance
Ms. Sadia Khan	3/4
Mr. Haroun Rashid	4/4
Mr. Roderick Macdonald	3/4

The Chief Executive, Finance Director, Executive Director, Company Secretary and Internal auditors, and other senior management personnel, as well as the representatives of the external auditors, are also invited to attend the meetings at times.

Summary Of Activities

During the financial year under review, the Board Audit Committee carried out the following activities:

A. Review of Financial Results

The review was to ensure that the financial statements and disclosures are in accordance with the applicable Financial Reporting Standards in Pakistan and other relevant legal and regulatory requirements.

a. Reviewed the quarterly, half-yearly and annual financial results before recommending them to the Board for consideration and approval.

b. Reviewed the annual financial statements with external auditors prior to submission to the Board of Directors for their approval.

c. Reviewed and discussed the significant changes in accounting principles, financial reporting policies with management and external auditors.

d. Reviewed the significant issues related to the financial statements, made recommendations to address these issues and followed up the actions taken by management.

B. Review of Risk Management and Internal Controls

The review was to ensure that the internal control system including financial and operational controls; accounting system and reporting structure are reasonably adequate and effective .

a. The Board Audit Committee has met regularly with management to understand the risks company is facing and reviewed the management of company's material business, to assess the effectiveness of those systems in minimising risks that may impact adversely on the business objectives of the Company.

b. Reviewed and discussed the status of company's debtors' material outstanding balances, and the followed-up the recoveries against those balances.

c. Reviewed the internal audit's annual plan, and resource requirements.

d. Reviewed the internal audit reports, recommendations and management's response.

e. Reviewed the summary report on the follow-up action taken by management to ensure management has implemented the agreed internal audit recommendations for improving the system of internal control.

f. Met with the external auditors and the head of internal audit separately, in the absence of management, to discuss their views on financial management and internal controls.

g. Reviewed with external auditors the results of the annual audit, their audit report and management letter together with management's response to the findings of the external auditors.

h. Reviewed the related party transactions entered into by the Company to ensure that the transactions have been conducted on normal commercial terms and that the internal control procedures relating to such transactions are sufficient.

i. Reviewed and followed-up the status of legal cases filed by, or against, the company.

C. Others

a. Reviewed the audit fees for the external auditors;

b. Evaluated the performance and effectiveness of the external auditors and made recommendations to the Board of Directors on their appointment and remuneration.

Human Resource and Remuneration Committee

Composition

Director's Name	Designation
Ms. Sadia Khan	Chairperson
Mr. Mustapha A. Chinoy	Member
Mr. Roderick Macdonald	Member
Mr. Saquib H. Shirazi	Member
Mr. Kamal A. Chinoy	Member

Number of Meetings

Two HRRC meetings were held in the year.

Attendance

Ms. Sadia Khan	2/2
Mr. Mustapha A. Chinoy	2/2
Mr. Roderick Macdonald	2/2
Mr. Saquib H. Shirazi	2/2
Mr. Kamal A. Chinoy	2/2

Terms of Reference

1. Objectives

The Human Resource and Remuneration Committee (HRRC) is a standing committee of the Board of Directors (BoD) mandated to consider and make recommendations to the BoD on Pakistan Cables Limited's major human resource management policies, strategies and plans.

2. Composition

a) Members

- The HRRC shall consist of at least three directors;
- Majority of these directors shall be non-executive directors of whom at least one member shall be an independent director;
- The Chief Executive (CE) may be included as a member.

b) Chairperson HRRC

- The Chairperson will be an independent director;
- While the CE may be a member of the HRRC, he shall not be the Chairperson;
- In the absence of the Chairperson, the remaining members may appoint another member as acting Chairperson for the meeting.

c) Secretary

- The Head of HR or the Company Secretary, will act as Secretary to the HRRC as decided by the HRRC.

3. Tenure

a) The tenure of the HRRC will be the same as the tenure of the BoD.
b) The terms of reference of the HRRC will be reviewed at least every three years.

4. Rules

a) Quorum:
- The quorum will be two members.

b) Frequency of Meetings:
- The HRRC shall meet at least once in each financial year and may meet more often as desired.

c) Notice:
- The notice of the meeting will be circulated by the Secretary HRRC preferably one week prior to the date of the meeting.

d) Agenda:
- The agenda of the meeting shall be development by the Management in consultation with the Chairperson HRRC.

e) Documents:
- To the extent possible, notes and other related documents shall be provided for each agenda item. Efforts will be made to provide this data to the members one week prior to the meeting.

f) Minutes:
- Minutes of the meetings will be made by the Secretary and circulated to the members within seven days of the meeting, or prior to the subsequent BoD meeting, whichever is earlier.

g) Attendance:
- The Committee may invite any person to attend meetings;
- The Secretary shall get the signatures of each member attending the meeting and keep a record of the same;
- The CE, if a member of the HRRC, shall not be a part of the proceedings where his/her compensation/performance is being discussed/evaluated.

h) Reports:
- The HRRC shall present the minutes, including findings and recommendations of the HRRC meetings to the BoD;
- The HRRC shall provide all and any related information required by the BoD.

i) Amendments:
- The BoD may at any time amend these regulations or revoke any powers granted by it to the HRRC.

j) Records:
- All documentation related to the holdings, proceedings and recommendations of the HRRC shall be stored with the Secretary.

5. Duties and Responsibilities

a) The HRRC's recommendations will require approval of the BoD to be implemented.

b) The HRRC will:
- Assess organization structure;
- Recommend to the BoD succession planning for business critical positions, including that of the CE;
- Recommend to the BoD, for consideration and approval, a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management);
- Undertake, annually, a formal process of evaluation of performance of the BoD as a whole and its committees either directly or by engaging external independent consultant and if a consultant is appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- Recommend human resource management policies to the BoD;
- Recommend to the BoD the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Consider and approve, on recommendations of the Chief Executive, the selection, evaluation, development, compensation (including retirement benefits) of for key management positions who report directly to Chief Executive or Chief Operating Officer; and
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the HRRC and a statement shall be made by them as to whether they have any other connection with the Company.

Management Team

Mr. Kamal A. Chinoy
(Chief Executive)

B.Sc. Economics from the Wharton School, University of Pennsylvania, USA.
Joined PCL in 1992.

Mr. Fahd Kamal Chinoy
(Executive Director)

MBA from INSEAD, Fontainebleau, France and BA in Economics and Political Science from the University of Pennsylvania, USA.
Joined PCL in 2008.

Ms. Nazifa Khan
(Manager Legal Affairs and Company Secretary)

MSc and Graduate Diploma from the Australian National University and LLB (Honors) from the University of London.
Joined PCL in 2015.

Mr. Hasan Irfaan
(G.M. Operations)

PGD in Advance Electronics from the Philips International Institute, Netherlands.
Joined PCL in 2013.

Mr. Zarrar Nasir Khan
(G.M. HR and Admin)

Bachelor in Law and is enrolled as an Advocate of the High Court.
Joined PCL in 2015.

Mr. Kashif Ahmed Zahidi
(Senior Manufacturing Manager)

B.E. in Electrical Engineering from the Frederick Institute of Technology, Cyprus.
Joined PCL in 2013.

Mr. Shahzad Anwar
(Senior Manager Engineering)

B.E. in Mechanical Engineering from NED and MBA in Industrial Marketing from IBA.
Joined PCL in 2013.

Mr. Syed Manzar Abbas Jafri
(Senior Manager Projects)

B.E. in Mechanical Engineering and Masters in Industrial Engineering Management from NED University.
Joined PCL in 2017.

Mr. Waqas Mahmood
(Senior Manager Finance)

Associate Member of the Institute of Chartered Accountants of Pakistan.
Joined PCL in 2008.

Mr. M. Tanwir Aslam
(Manager Material Control and Process Engineering)

B.E. in Metallurgical Engineering from NED Univers
Lifetime member of the Pakistan Engineering Coun
Joined PCL in 2011.

Mr. Azmatullah Bhalli
(Regional Sales Manager Central)

MBA from the University of Oklahoma, USA.
Joined PCL in 1999.

Ms. Mariam Durrani
(Manager Marketing and Brands)

MBA in Marketing from SZABIST, Karachi.
Joined PCL in 2015.

Mr. S.M. Athar Farid
(Training Program Manager)

B.E. in Electrical Engineering from NED and MBA in Marketing from IBA.
Joined PCL in 1976.

Mr. Syed Hassan
(Head of Internal Audit)

ACMA Pakistan, Certified Management Accountant (CMA - USA)
Joined PCL in 2015.

Mr. Shahid Jumani
(Materials Manager)

B.E. in Industrial Manufacturing from NED University and MBA in Marketing from SZABIST, Karachi.
Joined PCL in 2017.

Mr. Asim Muhammad Khan
(Business Unit Head-APB)

B.E. in Civil Engineering from NED and MBA in Marketing from IBA, Karachi.
Joined PCL in 2012.

Mr. Atta-ul-Hai Khan
(Technical Manager)

Diploma of Associate Engineer (DAE) and BE in Mechanical Technology from NED University.
Joined PCL in 2014.

Mr. Noor ul Hasnain Malik
(Production Manager)

Graduate from Karachi University.
Joined PCL in 1993.

Mr. Imran Ghani Mirza
(Factory Manager IR and Admin)

LLB, Masters in Public Administration and Masters in Industrial Psychology from University of Karachi.
Joined PCL in 2015.

Mr. Abdul Wasay Qureshi
(Manager OHS and E)

Master in Environmental Science and Bachelors in Chemical Technology from the University of Karachi.
Joined PCL in 2010.

Lt. Col(R) Abdul Razaq
(Security Manager)

MA Economics from Shah Abdul Latif University, Khairpur.
Joined PCL in 2014.

Mr. Imran Shah
(Manager – Export and Business Development)

BSc. (Hons) Actuarial Science from CASS Business School, City University of London, U.K.
Joined PCL in 2017.

Mr. Fuzail Ahmed Syed
(Regional Sales Manager North)

MBA from the University of Arid Agriculture, Rawalpindi.
Joined PCL in 2014.

Mr. Marazban Talati
(Manager Budget and Cost)

ACMA from ICMAP
Joined PCL in 1994.

Management Committee

The mission of the Management Committee is to support the Chief Executive to determine and implement the business policies within the strategy approved by the Board of Directors.

Members

Chief Executive	Chairman
Finance Director	Member
Executive Director	Member
G.M. Operations	Member
G.M. HR and Admin	Member

Role of the Committee

The Committee is responsible for the following:

- Review matters / suggestions arising from Operations Committee meetings and take decisions as necessary to improve efficiencies, operations, safety, reduce costs etc.
- Discuss, define and update HR policies.
- Approve parameters for annual increments and ex-gratia.
- Approve all promotions and transfers relating to management staff.
- Assign tasks to the Operations Committee and expand (or subtract) their charter.
- Review and propose annual budget to the Board.
- Review company strategy and its implementation. Implement changes as required within the guidelines approved the Board of Directors.
- Explore new avenues for business.
- Take on any other tasks assigned to it by the Chief Executive or Board Committees.
- Deal with issues arising from Internal Audit investigations.

Committee Procedures

Formal meetings will be conducted on a monthly basis or more frequently as circumstances dictate.

The Executive Director is the Secretary of the Management Committee. A record will be maintained of the minutes of the formal and informal meetings of the Management Committee. Minutes of the meeting will be circulated to all members of the Management Committee within seven days of the meeting.

In order to form a quorum at least 2 members need to be present including the Chief Executive.

Operations Committee

The mission of the Operations Committee is to support the Management Committee in implementing the business policies within the strategy approved by the Board of Directors.

Members

Chief Executive	Chairman
Finance Director	Vice Chairman
Executive Director	Member/Secretary
G.M Operations	Member
G.M HR and Admin	Member
Senior Manufacturing Manager	Member
Senior Manager Engineering	Member
Senior Manager Finance	Member
Manager Materials	Member
Production Manager	Member
Manager Material Control and Process Engineering	Member
Training Program Manager	Member
Business Unit Head APB	Member
Technical Manager	Member
Security Manager	Member

Role of the Committee

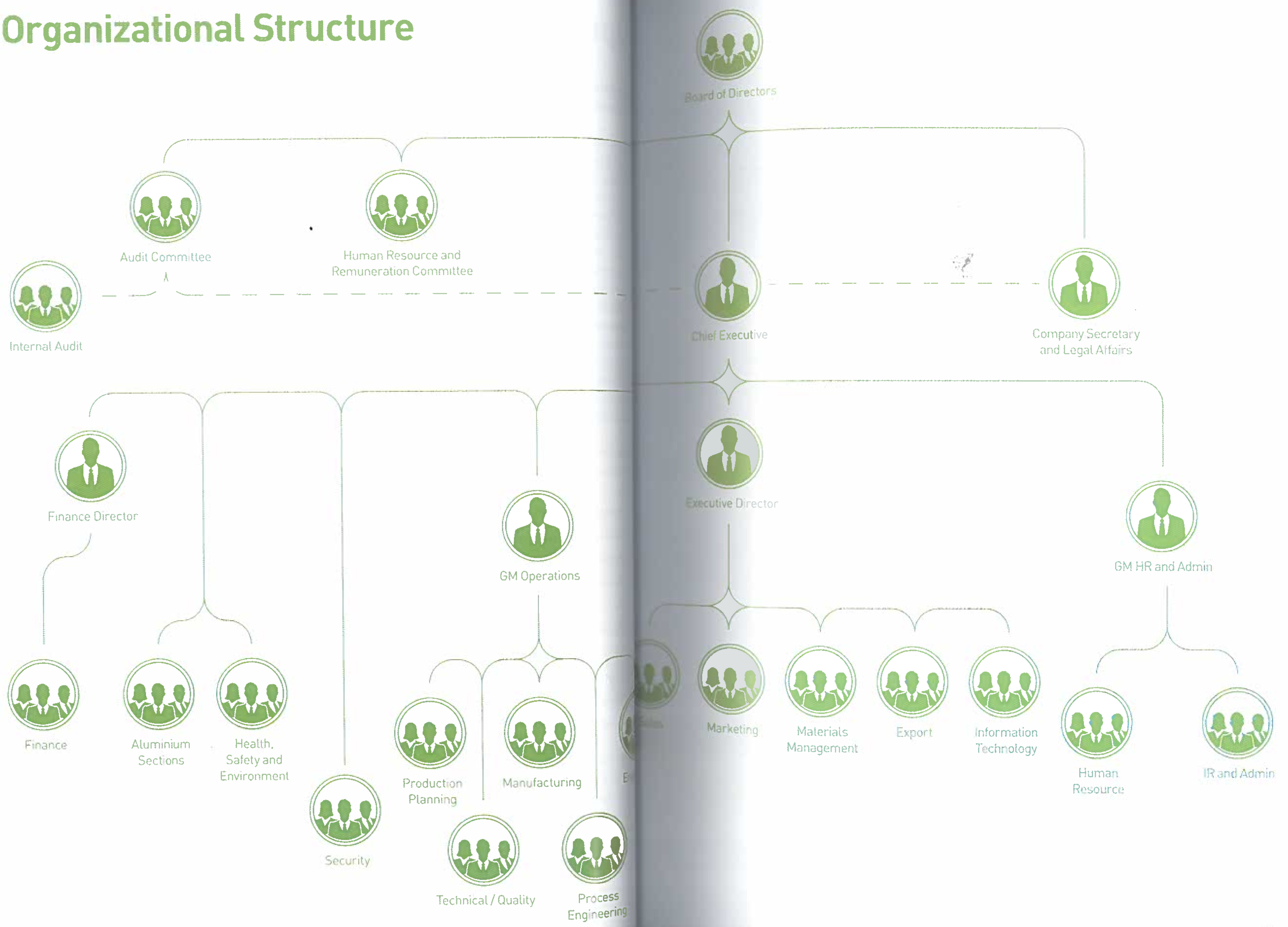
The Committee is responsible for the following:

- Review in detail ways to cut costs and recommend the same to the Management Committee.
- Review in detail ways to improve efficiencies and recommend the same to the Management Committee.
- Review progress of departments towards their respective annual budgets (expenses, output, sales etc.).
- Review progress of departments towards their respective annual goals.
- Review safety measures and recommend improvements to the Management Committee.
- Review and monitor the supply chain and ensure raw material availability for all products.
- Review and monitor work in progress and finished goods and take actions for their control.
- Define and monitor Key Management Indicators for each department.
- Review staff training needs.
- Identify capital investment projects and propose the same to the Management Committee.

Committee Procedures

Formal meetings are to be conducted on a monthly basis or more frequently as circumstances dictate. The Executive Director is the Secretary of the Operations Committee. A record will be maintained of the minutes of the Operations Committee. Minutes of the meeting will be circulated to all members of the Operations Committee within seven days of the meeting. On approval, the minutes of the meeting are sent to all members of the Management Committee. The Operations Committee may form sub committees as and when deemed necessary. The Operations Committee may invite other members as and when deemed necessary and may exempt members from meetings if their presences does not seem necessary. In order to form a quorum for the meeting, at least four members shall be present. In the absence of the Chairman, Director Finance will chair the meeting.

Organizational Structure



65 YEARS OF COMMITMENT

Our commitment to empower the nation has fueled a passion to remain at the top of our game for over six decades. The power of this commitment has transformed us into a force to reckon with in the industry.

Chairman's Review

It is my pleasure to present this report to the shareholders of the Company pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards accomplishing its aims and objectives.

The Company has implemented a strong governance framework that supports an effective and prudent management of business matters, which is regarded as instrumental in achieving the long term success of the Company.

During the course of the financial year 2017-2018, the Board of Directors and its Sub-Committees worked with a marked level of diligence and proficiency to best advise and guide the Company towards achieving its potential. The Board of Directors as a whole have reviewed the Annual Report and Financial Statements, and are pleased to confirm that in their view the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and comprehensive.

An annual self-assessment is carried out to dete the effectiveness and performance of the Board of Directors, the integral components of which incl strategic planning, composition, policies and procedures, compensation procedures and completeness of information provision. The outco this assessment is that the Directors feel that the Board of Directors are engaged in strategic matt has put in place the required controls and gets all necessary information in a timely manner. The Directors further feel that the independent Direc are equally involved in all decisions.

MUSTAPHA A. CHINOY
Chairman

Directors' Report

The Board of Directors are pleased to present the 65th Annual Report along with the audited accounts of the Company for the year ended June 30, 2018.

Overview of the Company

The Company was the pioneering company in Pakistan's cable industry when it was established in 1953. The Company is principally engaged in the manufacture of conductors, cables and wires for transmission and distribution of electricity since 1953. Due to the increased requirement of rods for manufacturing wire and cables as a result of growing customer demand, the production capacity of the plant has been regularly enhanced over recent years. In 2008, the Company set up a PVC Compounding Plant to manufacture high quality electric cable grade PVC compound, as such the Company is integrated upstream for two of its critical raw material inputs, in the form of state of the art copper rod and PVC compounding plants. The Company has also invested in a 2 MW tri-generation power plant. These plants ensure that the Company has uninterrupted power supply and availability of key raw materials at lower input costs.

Performance Review

Development of Business

Improvement in business processes is paramount for any industry to stay competitive in today's market. The Company is continuously engaged in business process re-engineering activities to optimize its activities and benefit from the technological advances in operational, technical and engineering functions. Initiatives are underway that will improve efficiencies, improve lead times, lower inventories and reduce wastages. The Company is continuously looking at way to optimize systems to ensure proper visibility and monitoring of key metrics and is placing a greater emphasis on reporting through its ERP system.

A number of initiatives are underway as part of the Operational Excellence program. This includes timely monitoring, review/analysis and corrective actions. Process control measures as part of quality assurance are ensuring our quality commitments towards customers and effective planning process are proving successful at enhancing delivery relia[bility] with focused projects proving to be a successful to[ol] for continuous improvement. There is enhanced visibility within our system via forecasting and monitoring on-time delivery, which is having a positive impact on inventory and service levels. Constantly increasing benchmarking in all aspects [of] factory performance is facilitating in enhancement [of] excellence to higher levels.

The Company has geared up for higher production levels with capacity enhancement investments conducted in certain higher potential value streams. [A] new product, the ACCC conductor, has been added [to] the product mix which is targeted to be the future transmission and distribution conductor with huge advantages of energy loss reduction, low sag and [...] current capacity.

The Company is further promoting Lean Six Sigma culture to develop a mindset of continuous improvement, enhancing efficiency and ensuring consistency of quality in the processes. Young engineering employees are being groomed to becom[e] good practitioners to deploy the approach of Lean S[ix] Sigma to facilitate the Company towards becoming [a] world class manufacturing in accordance with its lo[ng] term strategic plan.

Performance of Business

The Company achieved sales of Rs. 9.6 billion, whic[h] is 18% higher than last year's sales of Rs. 8.1 billion. This is the highest ever sale in the history of the Company. Strong sales performance was witnessed [in] all the segments of wire and cable business.

Gross profit for the year amounted to Rs. 1,137.1 million (11.9% of sales), compared to last year's gro[ss] profit of Rs. 1,267.5 million (15.7% of sales). The low[er] gross profit is due to devaluation of rupee against th[e] dollar which increased the cost of our inputs and increase in copper prices, all of which could not be passed on to customers

Marketing, selling and distribution cost for the year amounted to Rs. 438.3 million as compared to Rs. 406.0 million in the same period of last year. Finance cost for the year are Rs. 133.6 million compared to Rs. 65.6 million in the same period of last year. This is due to increased borrowings resulting from higher working capital requirements.

As a result of the above factors, the Company earned a profit after tax of Rs. 305.3 million compared to Rs. 478.5 million in the same period of last year.

Dividends and Appropriations

For the current year, the Board of Directors recommend payment of Rs. 3.50 per share (35%) as final cash dividend (2017: 20%) in addition to the interim cash dividend of Rs. 2.50 per share (25%) already paid (2017: first interim cash dividend of 15% and second interim cash dividend of 70%). The appropriation of profit will be as under:

		2017-18 Rs.'000
The net profit after tax amounted to		305,343
Other comprehensive income / (Loss)		(30,618)
Total comprehensive income		274,725
To this is added un-appropriated profit brought forward from last year		270,023
Transfer from surplus on revaluation – Own		10,669
		555,417
Appropriations:		
Payment of Final cash dividend at the rate of Rs. 2.00 per share (20%) for the year ended June 30, 2017		56,925
Payment of First interim cash dividend at the rate of Rs. 2.50 per share (25%) for the half year ended December 31, 2017		71,156
Transfer to General Reserve for the year ended June 30, 2017		212,000
Leaving un-appropriated profit to be carried forward		215,336
		555,417
Earning per share	Rs.	10.32*

(*as adjusted for IAS33 requirements for issuance of Right Shares)

Subsequent Effects

Proposed final cash dividend of Rs. 3.50 per share for the year 2018	124,523
Transfer to General Reserve	89,000

Business Review

Overall the business environment remained challenging during the year in review. With the increase in imports of cables for projects with special exemptions, the local industry remained at a disadvantage. With enhanced capacities in the cable industry as a whole, pricing for domestic projects tightened over the course of the year. Nevertheless, the Company is confident, that fundamentally there is a strong need for infrastructure • development and construction in Pakistan and this is expected to drive the demand for wire and cable. Several segments remained active with expansions and BMR including cement, steel, builders and developers and building materials.

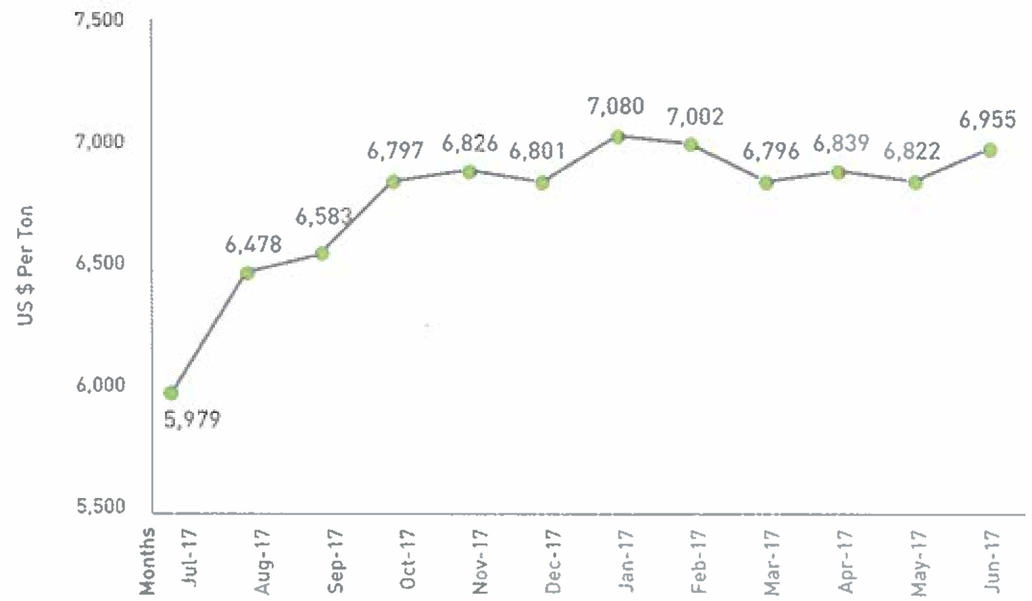
The demand for wiring also continued its good run of growth. We were able to add several new towns to our Trade footprint and enhance our dealer base, thereby adding coverage.

Global Copper and Aluminum Scenario

The prices of cables, copper rod and aluminium extrusions are closely linked to the global markets for copper and aluminium. Both base metals are traded on the London Metal Exchange (LME), the world's premier non-ferrous metals market. Impacted by global macroeconomic conditions, the trading volumes of LME metal contracts during the year 2017 remained largely at the same level as 2016. Average daily volumes (ADV) of contracts traded on LME were 1% higher than 2016. The price of both these metals are determined at the LME and any fluctuations in copper or aluminium prices have a direct effect on pricing of our products.

Copper price on LME during the year remain strong and continued their march upwards touching a peak of $ 7,216 a ton in the month of December, its highest level in almost 4 years, helped by buoyant Chinese demand, falling stockpiles and surge in investor interest. However, the prices tumbled down in the month of March and went below $ 6,500/t on simmering concerns over outlook for US-China trade relations and closed at $ 6,646 a ton at end June, reflecting an increase of 13% over last year. Graph of monthly average of copper prices on the LME is shown below:

Avg. Monthly L.M.E. of Copper US$/ ton Jul 2017 - Jun 2018



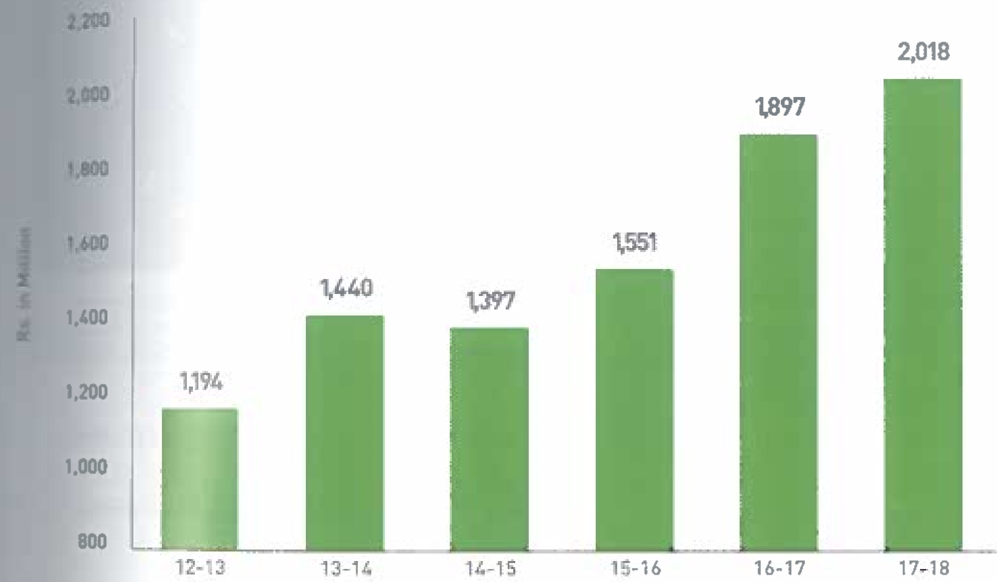
Cash Flow and Liquidity

The Company is constantly monitoring cash flow to ensure overall liquidity. During the financial year, the Company's cash flow from operations remain restricted due to higher working capital requirement, as the trade debts were substantially elevated due to exceptionally high sales in the last month of the financial year.

The Company continued to monitor interest and foreign exchange rates to take advantage of any potential saving opportunities.

Contribution to National Economy

The Company's contribution to the National Exchequer by way of taxes, levies, sales tax, etc. amounted to Rs. 2,018 million during the year (2016-17: Rs. 1,897 million). (See Chart Below)



Material Changes

There have been no material changes since June 30, 2018 till the date of this report and the Company has not entered into any commitment during this period which would have an adverse impact on the financial position of the Company.

Human Capital

The Human Resource team is actively engaged in developing, supporting, encouraging, and enabling the employees-building capacity of the Company. The Human Resource team facilitates the Company with harnessing human potential and channeling it in the right direction; towards the achievement of the Company's goals and vision. It is responsible for identifying recruiting, training and staffing needs of respective departments and devises hiring strategies for bringing in the right people in the Company. The team further undertakes talent engagement and employee branding activities such as career fairs on campus recruitment drives.

HR - Succession Policy

The Board has approved a Succession Planning Policy that will allow the Company to identity and appropriately train employees in order to cater to vacancies in key positions, so as to ensure a smooth transition of responsibilities and effectively continuous operations of the Company.

Industrial Relations

The Industrial Relations team assists the management in creating an enabling work environment by ensuring that the company meets its social and legal responsibilities towards its employees, including employment condition, quality of work life and maintaining HSE standards. The department also provides professional advice/support to functional and departments on Labour Laws, Rules of Service, Union Agreements and Disciplinary Actions.

The total number of employees as on June 30, 2018 was 489. The relationship with the employees at all levels remained cordial and conducive throughout the year. The Union-Management relations continued to be friendly and industrial peace prevailed during the year under review.

Information Technology

In line with the its commitment to regularly upgrade communication systems and business applications, the Company recently upgraded its Human Resource Management System (HRMS) and continued to optimize reporting via its ERP system in several areas.

In line with our continuous endeavors to use new technologies we are taking advantage of the Cloud Infrastructure for better security and availability of data. We are also striving for state of the art business intelligence tools for KPI monitoring and informed decision making.

Awards and Certificates

During the current year, the Company received the Federation of Pakistan Chamber of Commerce and Industry (FPCCI) Export Award for the year 2016-17 The award was presented by the Chairman of the Senate of Pakistan.

The Company was awarded the 'Merit Export Award' for the 3rd consecutive year by the Federation of Pakistan Chamber of Commerce & Industries (FPCCI), at the 42nd annual export award ceremony.

The Company's 3 x 400mm² Al/XLPE/SWA/PVC, Triple Extruded, 15 kV medium voltage cable also received a KEMA Gold Certificate from KEMA Laboratory, Netherlands.

Risks and Opportunities Report

The Board of Directors carries out assessments of the principal risks facing the Company, including those that would impact the business operations, performance and liquidity of the Company. Insofar, a summary of the risks assessed are outlined below:

	Source	Mitigation Strategy
Strategic Risks		
Changing technological requirements rendering existing products obsolete	Changing specifications	Diversification of product portfolio to cater to all segments of the market.
Commercial Risks		
Increase in imports of cables and wires	Governmental policies	Lobby for change in Governmental policies to protect indigenous industry.
Volatility in prices of metals	London Metal Exchange	The Company has comprehensive risk management and procurement strategies that try to ensure that fluctuations in the prices of copper and aluminium do not expose it to losses.
Low quality cables and counterfeit products from the un-organized sector	Undocumented production and supply sector	The Company has taken several steps to counter this including engaging third parties that are actively involved in IP protection and the recent introduction of a product verification system, which allows consumers to verify the authenticity of the product via sms or the internet.
Risk associated with inventory	Varying supply demands	Identification of the right mix and quantity of products to keep in our inventory to meet customer orders and regular monitoring.
Increase in competition	Market	Diversify product portfolio and adjust selling strategy to stay ahead of the competition. Maintenance of quality of excellence.
Operational Risks		
Breach of IT security	Hacks, natural disasters, viruses	Stringent IT controls, regular audits and monitoring of IT controls.
Energy unavailability	Nationwide energy crisis	Establishment of a captive power plant and taking advantage of the Governments enhancement of gas allocations.
Loss of key personnel	Market dynamics	Development of a comprehensive succession plan that identifies potential high achieving employees.
Financial Risks		
Foreign exchange risk	Rupee depreciation	Reduced exposure to borrowings in foreign currencies and constant monitoring of the exchange rate levels.

Sustainability

Mitigation of Industrial Effluents-Impacts and Community Awareness

The Company is very conscious of its carbon footprint and its responsibility to society at large. As such it has implemented the following processes to reduce the impacts of its operations:

- Periodic cleaning of septic tanks/pits to ensure "safe n clean" discharge of effluents.
- Ensure the operations of waste water treatment facility remains intact at all times and also ensure that proper disposal of sludge / residue through Sindh Environmental Protection Agency (SEPA) certified contractors.
- Periodic monitoring of effluents and the results have been found within the limits as set by Sindh Environmental Quality Standards (SEQS).
- "Clean n Green Environment" program of environmental awareness conducted through orientation programs and flyers.

Efforts made by the company to overcome the energy crisis

In addition to other reported energy conservation endeavors to redress the energy crisis, the Company has developed its own captive power plant that it supplements the utility's energy supply with in order to reduce the pressure on the energy sector.

Energy Conservation

The Company recognizes the importance of efficient use of limited energy resources and has worked towards the following endeavors to conserve energy:

- "Importance of Earth Hour" awareness seminars for employees
- Pictorial instructions displayed on methods of energy conservation in day to day life.
- Company-wide mandate to turn off m lights, fans and air conditioners at lu prayer time.
- Replacement of tube lights and bulbs w energy savers.
- Designing new structures in a manner t natural lighting as much as possible.

Moreover, the Company's captive powe equipped with waste heat recovery and absorption chillers, and is able to more efficiently utilize gas and electricity, th ensuring energy conservation.

Environmental Protection Measures

The Company prides itself on manufacturi that are "Environmentally Friendly". The C in the business of producing the highest qu and cables in Pakistan as per international Due to use of high quality copper in the ma of our cables, our cables result in the cons electricity due to lower line losses. Similar Alum-EX, as an alternative to wood windo doors, helps in reducing de-forestation. Mo Company encourages customers to return cables drums as recycling wooden cable d reduces de-forestation. Several measures taken to control pollution and to maintain a green and healthy environment which inclu prevention of process gas emission into the atmosphere, recycling of waste heat and c efforts to improve greenery and maintain a environment in and around the factory thr horticulture, better housekeeping, etc.

The Company is certified for latest standard Environmental Management System (EMS) Additionally, the Company strives for enviro protection through the adoption of the follo

- Compliance with all environmental legal as well as meeting the international stan 14001 (Environmental Management Syst
- odic monitoring of effluents, stack emissions, e and ambient air quality.
- uring that the test results of all waste emission effluents are within the Sindh Environmental lity Standards limit.
- blishment of secondary containment solutions handling liquid chemical / oils and lubricants.
- uring proper waste collection and disposal thods, for example any anodizing waste is tralized as per NEQ standards prior to discharge.

Policy Overview

ompany views corporate social responsibility as ness approach that allows contributing towards nable development through uplifting economic, and environmental benefits for the community. a good corporate citizen is part of the any's core values and is defined in the any's mission statement.

anagement of the Company and those charged overnance are well aware of their responsibility ng a corporate citizen and are very much itted in this regard. The Company is committed ure that good practices are maintained in , Safety and Environment within its own tions. In addition, supporting causes that focus ial uplifting remain a focus area for the any through which it supports various unities in Pakistan.

reas of interests in this connection include but t limited to environment protection, education, and social development of the society.

Activities

g 2017-18, the Company's social spend stood at .6% of its profit after tax approximately. Key ves include:

- **ar Lamp Drive:**
  e Company collaborated with HELP Balochistan, uetta based NGO, for a second consecutive year to provide solar lamps to miners' community based in Duki, Balochistan. HELP mobilized the project in February 2018 targeting 2,000 households who benefitted from the activity.

Left: Solar lamp distribution drive recipients at Duki, Balochistan. Right: PCL sponsored gold medals for the GIKI students.

- **Reel On Hai: A Public Outreach Initiative of Karachi Biennale**
  In 2016, the Company collaborated with the Karachi Biennale Trust ("KBT") to be the main activity partner for project, Reel on Hai, a public outreach initiative of KBT. Fifty-seven artists, local and international, transformed cable reels into art installations placed at public spaces that include schools, hospital, parks, heritage sites across Karachi. In December 2017, the Company launched a coffee table book, 'A Reel On Karachi – Art Installations in the City' to commemorate the completion of its 13 month CSR activity, 'Reel On Hai'. A free e-book version of "A Reel on Karachi" is available at the Company's official website: **www.pakistancables.com**

Book launch: A reel on Karachi - a compilation of art installations in Karachi, launched by PCL marking completion of its CSR initiative REEL ON HAI

Community Investment and Welfare Schemes

The Company supports academic institutions across Pakistan by sponsoring initiatives that help promote extracurricular activities among the youth and contributes towards grooming the future generation of professionals in Pakistan.

Consumer Protection Measures

The Company accelerated its efforts in creating awareness among consumers on counterfeit and promoted its Product Verification Facility. Fast and easy to use, consumers can now scratch and SMS the secret code printed on the its product pack to 8006 for instant verification. Furthermore, a 'Helpline' has also been set up to address consumers' queries. Dealers, electricians, consumers have all lauded the initiative and average verification queries received per month has grown by seven times in 2018 versus 2016.

The roll out of these facilities re-emphasize the Company's position on being committed to fostering ethical practices in the market and never compromising on offering premium quality to its valued customers.

National Cause Donations

The Company prides itself on being a patriotic corporate citizen; not only did it celebrate the Independence Day 2017 with gusto, it also remains an enthusiastic partner towards meaningful causes of national significance.

Independence Day celebrated at the Head Office

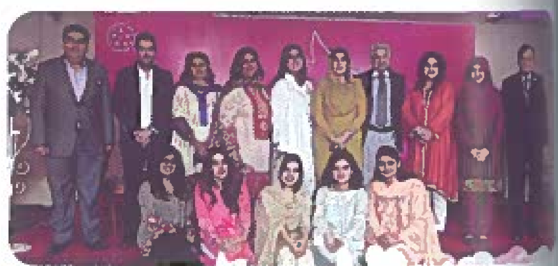
During 2017-18, the Company donated to various welfare trusts and NGOs, which include:

- Aga Khan Education Services
- Alleviate Addiction Suffering Trust
- Al-Mehrab Tibbi Imdad
- Amir Sultan Chinoy Foundation
- Behbud Association, Karachi
- Karwan-e-Hayat
- OGS Trust
- SAARC Women Association

Diversity

Equal treatment for all employee and maintenan[ce of a] discrimination free environment is one of the ma[in] features of the Company's objectives. The Comp[any] recognizes the role of people with diverse and multicultural backgrounds and beliefs systems.

In particular, the Company strives towards provi[ding] an empowering, safe and conducive environment [for] women; currently female employees form five pe[rcent] of the Management workforce. The Company celebrated International Women's Day at the Pea[rl] Continental Hotel Karachi by organizing an event [with] a panel discussion of Dr. Fehmida Mirza, Ms. Sad[ia] Khan and Ms. Ayesha Tammy Haq on the "Challe[nges] and Successes for Women in Today's World".



International Women's Day celebrated at the Company with a panel discussion for the employees. Management and staff with esteemed panelist.

The Company celebrated "Pinktober" by organizing [an] awareness seminar on breast cancer awareness fo[r] female employees to educate them on the importan[ce of] good breast health and how to detect breast cancer.

The Company also has a female employee engagement procedure in place that regularly al[lows] its female employees to voice their concerns and suggestions in order to better enable the Compa[ny to] position itself as an equal opportunity employer.

Employment of Special Needs Persons

The Company considers it a social and moral responsibility to accommodate people with special needs and ensure that their needs are not a barrier to their employment. Currently there is one special needs person employed with the Company.

Occupational Health and Safety

Protecting the health and safety of our people and ensuring a healthy working environment is of great importance to the Company; as such the Company is committed to working towards designing a workplace that minimizes work related risks and occupational health and safety. The Company has a comprehensive Health, Safety and Environment (HSE) management system and an HSE policy. Every employee's obligation to comply with HSE requirements is ensured through a robust training program and self-audits, internal audits and periodic management reviews. HSE internal and external sequential audits of all departments are conducted to evaluate compliance. The respective procedures are periodically updated to ensure accident free work place by encouraging instant reporting of all even near miss incidents followed by rigorous investigations to incorporate avoidance of future recurrences.

During the year the Company achieved more that 2.5 million hours without Loss Time Injury (LTI). The HSE endeavors targeted at occupational health and safety include:

- Machine guarding
- Mandatory use of PPEs on the factory floor
- Awareness seminars on adverse effects of eating and spitting of "Pan n Gutka"
- Lock Out and Tag out program initiated to prevent from electrical incidents
- Provision of portable fire hydrant trolleys
- Conducting monthly health and hygiene surveys
- General medical health checkups of all employees conducted by the Company's doctor
- Pulmonary Function Test conducted for individuals working in anodizing area
- Vaccination program were conducted for food handlers

In-line with management's objective, the Company is certified for OHSAS 18001:2007 (Occupational Health and Safety Management System). The Company was also amongst a handful of companies in Pakistan to receive the prestigious award from the National Forum for Environment and Health's at the 7th, 8th, 10th and 12th Annual Environment Excellence Awards.

Governance

Office of the Chairman of the Board of Directors and the Chief Executive

The office of the Chairman of the Board of Directors and the Chief Executive of the Company are held separately, with a clear division of roles and responsibilities.

Role of the Chairman of the Board of Directors

The principal role of the Chairman of the Board of Directors is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board of Directors and acts as a direct liaison between the Board of Directors and the Management of the Company, through the Chief Executive. The Chairman acts as the communicator for Board of Director decisions where appropriate.

Role of the Chief Executive

The Chief Executive ("CE") is responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value. The CE's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's objectives. The CE acts as a direct liaison between the Board of Directors and Management of the Company and communicates to the Board of Directors on behalf of Management.

Role and Responsibilities of the Board of Directors

The members of the Board of Directors are fully aware of their responsibilities collectively as well as on an individual basis. The Board of Directors actively participates in all major decisions of the Company including approval of capital expenditure budgets, investments, issuance of equity and debt capital, related party transactions and appointments of key managerial personnel.

The Board of Directors, on the recommendation of the Board Audit Committee, has approved a Policy on Governance of Risks and Internal Control Policy, through which it monitors the Company's operations and the adequacy of its internal financial controls by approving, inter alia, its financial statements, reviewing internal and external audit observations, if any, and recommendation of dividends. The Board of Directors, on the recommendation of the Board of Directors Audit Committee, has also approved a Business Continuity Plan and a Disaster Recovery Plan for the Company to implement.

The Board of Directors has reviewed and approved formal policies for conducting business and monitoring/mitigating the Company's level of ri[illegible] tolerance and ensures their monitoring throug[illegible] independent Internal Audit Department which continually monitors adherence to Company po[illegible]

Directors' Remuneration

The Company has a policy in place that ensures [illegible] and transparent procedures for fixing the remu[illegible] of Directors and no single Director is involved i[illegible] determining his/her own remuneration. Remu[illegible] levels are kept at a reasonable level in order to [illegible] and retain Directors, however at all times, care [illegible] that such level does not comprising independe[illegible]

Meetings of the Board of Directors

The Board of Directors meets at least four times per annum in accordance with regulatory requirements. B[illegible] Meetings are also called to discuss and decide on important and/or urgent matters if so required.

The Board of Directors met 6 times during the fiscal year 2017-2018, with the attendance of such meetings as fo[illegible]

Name of Director	Attendance
Mr. Mustapha A. Chinoy	6/6
Mr. Haroun Rashid	4/6
Mr. Roderick Macdonald	5/6
Ms. Sadia Khan	4/6
Mr. Saquib H. Shirazi	4/6
Mr. Shoaib Mir (joined on November 8, 2017)	3/4
Mr. Kamal A. Chinoy	6 /6
Mr. Fahd Kamal Chinoy	6/6
Mr. Muhammad Ashfaq Alam	3/6
Mr. Naveed Kamran Baloch (resigned on November 8, 2017)	1/2

Changes to the Board of Directors

One casual vacancy opened up on the Board of Directors during the year, with the resignation of Mr. Naveed Kamran Baloch, which was filled in simultaneously on the same day by the appointment of Mr. Shoaib Mir.

Director Orientation

New members of the Board of Directors are taken through an induction process to familiarize them with the Company and its strategic objectives, facets of the business, critical performance indicators, financial position, key policies and role and responsibilities of the Board.

Director Training Program

The following four Directors have completed their Director Training Programs offered by local institu[illegible] that meet the criteria specified by the Securities a[illegible] Exchange Commission of Pakistan ("SECP"):

- Ms. Sadia Khan
- Mr. Shoaib Mir
- Mr. Kamal A. Chinoy
- Mr. Fahd Kamal Chinoy

Ms. Sadia Khan has also undertaken the Intern[illegible] Directors Program offered by INSEAD.

The remaining five Directors have undertaken to [illegible] apply to SECP for an exemption or be certified pr[illegible] the expiration of the requisite deadline.

[illegible]ing in shares of the Company by Directors/Executives, their spouses and minor children

Name	Transferor/ Transferee	Office held/ relationship	Number of shares	Nature of transaction
Mr. Kamal Chinoy	Transferee	Director	848,814 Right Shares	Purchase
Mr. Saquib Shirazi	Transferee	Director	2,500 Right Shares	Purchase
Mr. Ashfaq Alam	Transferee	Director	33 Right Shares	Purchase
Mrs. Pia Kamal Chinoy	Transferee	Spouse of Director	16,804 Right Shares	Purchase
Mrs. Saadia S. Rashid	Transferee	Spouse of Director	360,747 Right Shares	Purchase
	Transferor		1,064,567 Shares	Sale
Mr. Hasan Irfaan	Transferee	Executive	5000 Right Shares	Purchase
Mr. Zarrar Nasir Khan	Transferee	Executive	5000 Right Shares	Purchase
Mr. Asim Muhammad Khan	Transferee	Executive	1,000 Right Shares	Purchase
Mr. Imran Ghani Mirza	Transferee	Executive	1,000 Right Shares	Purchase
Mr. Noor ul Hasnain Malik	Transferee	Executive	2,000 Right Shares	Purchase
Mr. Syed Muhammad Hasan	Transferee	Executive	3,500 Right Shares	Purchase
Mr. Imran Shah	Transferee	Executive	13,500 Right Shares	Purchase
Mr. Shahid Jumani	Transferee	Executive	7,500 Right Shares	Purchase
Mr. Alta ul Hai Khan	Transferee	Executive	1,201 Right Shares	Purchase
Mr. Abdul Razaq	Transferee	Executive	5,000 Right Shares	Purchase
Ms. Mariam Durrani	Transferee	Executive	10,000 Right Shares	Purchase
Mr. Salim Ismail	Transferee	Executive	33 Right Shares	Purchase
Mr. Arsalan Sattar	Transferee	Executive	569 Right Shares	Purchase

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Mr. Salim Ismail	Transferee	Executive	33 Right Shares	Purchase
Mr. Arsalan Sattar	Transferee	Executive	569 Right Shares	Purchase

Board Meetings held outside of Pakistan

No meetings of the Board of Directors were held outside of the territory of the Islamic Republic of Pakistan.

Annual Evaluation

CE

In accordance with legal requirements, the appointment of the CE is approved by the Board of Directors and the tenure of such appointment is for 3 years.
The performance of the CE is reviewed annually in the context of his role and responsibilities.

Board of Directors

A comprehensive mechanism is in place for undertaking an annual evaluation of the performance of the Board of Directors in accordance with the Code of Corporate Governance.
The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Composition and scope
- Functions and responsibility
- Monitoring
- Transparency

Documentation necessary for conducting the evaluation are duly circulated to all Board members and are required to be submitted with the Company Secretary. The results are consolidated and presented to the Board of Directors to discuss any improvements measures proposed.

Conflict of Interest

The Board of Directors has approved a policy which mandates that in the event of any conflict of interest, or potential interest, in any manner, the concerned Director shall recuse him/herself from contributing in the determination of such matter. Moreover, no Director shall be involved in a situation in which he/she might have a direct/indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

Related Party Transactions

Details of pertinent related party transactions are placed before the Board Audit Committee, and upon recommendation of the Board Audit Committee, the same are placed before the Board of Directors for review and approval in accordance with regulatory requirements.

Whistle Blowing Policy

The Company ensures accountability and integrity conduct by devising a transparent and effective whistleblowing mechanism for alerts against deviations from policies, controls, applicable regulations or violation from the code of ethics.

This policy is applicable to all individuals associated with the Company and provisions for disclosures thereunder in confidence, without fear of repercussions.

Communication

The Company is committed to diligent and accurate communication with its shareholders and the annual, half yearly and quarterly reports are distributed within the requisite time frame. The activities of the Company are also regularly updated on its website **www.pakistancables.com**, which contains an Investor Relations section.

Investors Grievance Policy

The Company has a policy in place to streamline and address requests, grievances and complaints of its shareholders.

Stakeholder Engagement

The Board of Directors has approved a Shareholder Engagement Policy, the salient details of which are set out below:

Stakeholders	Value to the Company	Management of Engagement
Shareholders	Provision of capital which allows fulfillment of objectives and vision.	We acknowledge the invaluable support of our investors and retain it by providing a steady return on their investment.
Customers and Suppliers	Our Suppliers are the support system that allow us to operate efficiently. Our customers loyalty is what enables us to realize our vision and goals.	We operate in a manner that supports our customers and suppliers in return by provision of flexible/favorable terms and conditions of dealings as well as ensuring timely payments.
Banks and Other Lenders	Allows future planning, debt management in an efficient low-cost manner that facilitates our operational efficiencies.	Prioritizing payment schedules and provision of accurate and transparent information with respect to our dealings facilitates us in keeping good terms with the banks and lenders.
Media	Enables us to keep our customers and other stakeholders updated and aware of our products, schemes and other key information.	Multiple communication methods are used, based on the needs of the situation, to give out information and update our stakeholders.
Regulators	Maintain a level playing field and helps us be as transparent as possible.	We are responsible corporate citizens and pride ourselves on operating strictly within the legal and regulatory framework.
Employees	Form the foundation and cornerstone of our operations and are of extreme value to the Company.	Our regular engagement processes, HR events and policies all seek to create a diverse and inclusive work environment.
Community	Comprises of all our other stakeholders and we continually strive to leave a positive impact on it.	Measures are taken to reduce our carbon footprint as well as give back to the community via CSR activities.

General Body Meetings

Annual General Meetings are held in accordance with prevailing law and Extraordinary General Body Meetings are held as and when required. On both such events, the Board of Directors is appropriately represented and the shareholders have an opportunity to engage and communicate with the Board of Directors.

Auditors

KPMG Taseer Hadi & Co. have completed their annual audit of the Company for the year ended June 30, 2018 and have issued an unqualified report.
They retire and being eligible, have offered themselves for re-appointment for the year ending June 30, 2019. The Board of Directors, on the recommendation of the Board Audit Committee, have recommended their re-appointment for the year ending June 30, 2019.

Statement under the Code of Corporate Governance

In compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance we are pleased to state that:

a. The financial statements, prepared by the Management of the Company, present its state of affairs fairly, the result of its operations, cash flows and the changes in equity.

b. Proper books of accounts have been maintained by the Company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

d. International Financial Reporting Standards, as applicable within the Islamic Republic of Pakistan, have been followed in preparation of financial statements.

e. The system of internal control is sound in de[...] has been effectively implemented and monito[...]

f. There are no significant doubts upon the Com[...] ability to continue as a going concern.

The key operating and financial data of the last s[...] is given on page 95, the pattern of shareholding is [...] on page 172 and the details of the related party transactions are provided on page 163.

Forward Looking Statement

The Company has a cautiously optimistic outlook [...] respect to the coming year, based on positive tre[...] the economic front. With increased political stab[...] the new government's stated agenda towards ad[...] new jobs, housing and a general focus on social [...] we believe that construction activity should be bu[...] However, on the other hand, with Pakistan's prec[...] balance of payment situation, any fiscal control d[...] a cut down in public development could have a ne[...] impact on the demand for wire and cable.

In recent times, there has been growth in the imp[...] cables, primarily due to various exemptions on du[...] and sales tax for imports of wire and cables provi[...] certain CPEC and special projects. The same exemptions are not available if our customers pro[...] the product from local manufacturers of wire and [...] Should this trend continue, the Company's sales m[...] come under pressure. As such, several efforts in r[...] times have been underway through the All Pakista[...] Cables and Conductors Manufacturers Association [...] the benefits available to imported cables are not available to local manufacturers of wire and cable [...] has resulted in an imbalanced playing field, which [...] issue that impacts the entire domestic industry.

In this context, the Company's strategy has been to remain proactive with respect to approaching the [...]ment on issues impacting the local industry. The [...]pany intends to continue its initiatives in marketing [...] products, focus on enhanced output, aggressive sales [...]forts and support with continued improvement in [...]stomer services.

Acknowledgement

[...]e Board of Directors would like to place on record their [...]cere appreciation for the hard work and dedication [...]own by the management and the employees of the Company throughout the year. On behalf of the Board of Directors and employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, stockists, dealers and bankers for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

On behalf of the Board of Directors

MUSTAPHA A. CHINOY
Chairman

KAMAL A. CHINOY
Chief Executive

KARACHI: August 17, 2018

...کمپنی کی حکمت عملی یہ ہے کہ مقامی صنوت کو متاثر کرنے والے معاملات پر ...موثر انداز میں رابطہ کرے۔ کمپنی اپنی مصنوعات کی مارکیٹنگ، اضافی پیداوار پر ...موثر سیلز کی کوششیں اور کسٹمر سروسز میں مسلسل بہتری کی مد میں اقدامات پر کام ...کئے ہوئے ہے۔

...رواں سال میں کمپنی کے ملازمین اور انتظامیہ کی سخت محنت اور جوش وولولہ کے لئے ...حوصلہ افزائی کو ریکارڈ پر رکھنا چاہتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمپنی کے

...ے چنائے

17 اگست، 2018ء

ملازمین کی جانب سے، ہم اپنے تمام گراں قدر صارفین، ڈسٹری بیوٹرز، شاکسٹس، ڈیلرز اور بینکرز کی جانب سے کمپنی پر اعتماد اور بھروسہ پر احسان مند ہیں۔ اور آئندہ سال میں کمپنی کی پائیدار ترقی میں ان کی مسلسل حمایت اور کردار کی توقع رکھتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

کمال اے چنائے
چیف ایگزیکٹو

جنرل باڈی اجلاس

حالیہ قوانین کے عین مطابق سالانہ اجلاس عام منعقد کئے جاتے ہیں اور غیر معمولی اجلاس عام بھی بوقت ضرورت منعقد کئے جاتے ہیں۔ ان دونوں معاملات میں بورڈ کو موزوں انداز میں پیش کیا جاتا ہے اور حصص داران کو بورڈ کے ساتھ رابطہ سازی کا موقع ملتا ہے۔

آڈیٹرز

KPMG تاثیر ہادی اینڈ کو نے 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کا سالانہ آڈٹ مکمل کر لیا ہے اور غیر مصدقہ رپورٹ جاری کی ہے۔ وہ ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر خود کو 30 جون 2019ء کو اختتام پذیر سال کے لئے دوبارہ تقرری کے لئے پیش کرتے ہیں۔ بورڈ آڈٹ کمیٹی کی سفارشات کی روشنی میں بورڈ آف ڈائریکٹرز نے 30 جون 2019ء کو اختتام پذیر سال کے لئے ان کی دوبارہ تقرری کی سفارش کی ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت بیان

کوڈ آف کارپوریٹ گورننس کے کاروباری اور مالیاتی رپورٹنگ فریم ورک کی پیروی میں ہم یہ بیان کرنے میں مسرت محسوس کرتے ہیں کہ:

a. کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالی اسٹیٹمنٹس، کمپنی کے امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ انداز میں پیش کرتی ہیں۔

b. کمپنی نے کھاتوں کی مناسب کتابیں مرتب کی ہیں۔

c. معقول اور محتاط فیصلوں کی بنیاد پر مالی اسٹیٹمنٹس کی تیاری اور اکاؤنٹنگ تخمینوں میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔

d. مالی اسٹیٹمنٹس کی تیاری میں اسلامی جمہوریہ پاکستان میں لاگو انٹرنیشنل فنانشیل رپورٹنگ اسٹینڈرڈز کو عمل میں لایا گیا۔

e. انٹرنل کنٹرول کا نظام بہت اعلیٰ ہے اور اس کا موثر نفاذ اور نگرانی کی جا رہی ہے۔

f. کمپنی کے کاروبار جاری رکھنے کی صلاحیت میں کوئی نمایاں شک موجود نہ ہے۔

گذشتہ 6 سال کے بنیادی آپریٹنگ اور مالی اعداد و شمار صفحہ 95 پر موجود ہیں۔ شیئر ہولڈنگ کی وضع صفحہ 172 پر بیان کی گئی ہے اور متعلقہ پارٹی لین دین کی تفصیلات صفحہ 163 پر فراہم کی گئی ہیں۔

آئندہ کا لائحہ عمل

معیشت میں مثبت رجحان کی وجہ سے آئندہ سال میں کمپنی انتہائی محتاط انداز میں پر امید ہے۔ سیاسی استحکام میں اضافہ اور نئی ملازمتوں، گھروں اور سماجی بہبود پر عمومی توجہ پر مشتمل حکومتی ایجنڈا کی وجہ سے ہم یقین رکھتے ہیں کہ تعمیراتی سرگرمیوں میں مزید اضافہ ہوگا۔ ... جانب، پاکستان کی ادائیگیوں کے توازن کی غیر یقینی صورت حال اور عوامی ترقی میں ... کنٹرول کی وجہ سے کمی وائر اور کیبل کی طلب پر منفی اثرات مرتب کر سکتی ہے۔

CPEC اور خصوصی منصوبوں کی مد میں بنیادی طور پر وائرز اور کیبلز کی درآمد پر ڈیوٹی ... ٹیکس پر استثنیٰ کی وجہ سے حال ہی میں، کیبلز کی درآمد میں اضافہ ہوا ہے۔ اگر ہمارے ... وائر اور کیبل کے مقامی صنعت کاروں سے مصنوعات خریدی تو یہی استثنیٰ دستیاب نہیں ہوگا۔ اگر یہی رجحان جاری رہا تو کمپنی کی سیلز دباؤ میں آ جائیں گی۔ اس لئے، آل پاکستان کیبلز ... کنڈکٹرز مینوفیکچرر ایسوسی ایشن کے ذریعے حال ہی میں کئی اقدامات پر غور کیا جا رہا ہے ... وائر اور کیبل کے مقامی صنعت کاروں کو درآمد شدہ کیبلز پر دستیاب فوائد حاصل نہ ہیں۔ اس کے نتیجہ میں غیر مساوی میدان سامنے آیا ہے اور اسی وجہ سے مقامی صنعت برے اثرات کی شکار ہے۔

بیرون ملک منعقد کئے گئے بورڈ اجلاس

بورڈ آف ڈائریکٹرز کا کوئی اجلاس اسلامی جمہوریہ پاکستان کی سرحد سے باہر منعقد نہ کیا گیا۔

سالانہ تعین

CE

قانونی ضوابط کے عین مطابق، بورڈ آف ڈائریکٹرز نے CE کی تقرری کی منظوری دی اور اس تقرری کا دورانیہ 3 سال کے لئے ہے۔

کردار اور ذمہ داریوں کو مدنظر رکھ کر CE کی کارکردگی پر سالانہ نظرثانی کی جاتی ہے۔

بورڈ

کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز کی کارکردگی کے سالانہ جائزہ کے لئے ایک جامع نظام موجود ہے۔

یہ نظام مندرجہ ذیل سطور پر بورڈ کی کارکردگی کا جائزہ لیتا ہے:

- ترکیب اور دائرہ کار
- افعال اور ذمہ داریاں
- نگرانی
- شفافیت

جائزہ کے لئے مطلوب دستاویزات بورڈ کے تمام اراکین کو حسب ضابطہ ارسال کی جاتی ہیں اور ان کو کمپنی سیکریٹری کو بھی جمع کرانا ہوتا ہے۔ ان نتائج کو اکٹھا کیا جاتا ہے اور بہتری کے لئے مجوزہ اقدامات پر بحث کے لئے بورڈ کو پیش کئے جاتے ہیں۔

مفادات کا ٹکراؤ

کمپنی نے ایک پالیسی کی منظوری دی ہے جس کے تحت مفادات میں ٹکراؤ یا متوقع مفاد، کسی بھی حالت میں، کی صورت میں متعلقہ ڈائریکٹر اس معاملہ کے تعین میں اپنا کردار ادا کرنے سے اجتناب کرے گا۔ مزید برآں، کوئی بھی ڈائریکٹر ایسی صورت حال [illegible] جس کے تحت بالواسطہ/ براہ راست مفادات کا ٹکراؤ سامنے آئے یا متوقع [illegible] مفادات کے ساتھ ٹکراؤ پیدا ہو۔

متعلقہ پارٹی لین دین

بورڈ آڈٹ کمیٹی کے سامنے متعلقہ پارٹی لین دین کی تفصیلات رکھی جاتی ہیں [illegible] کمیٹی کی سفارشات کے مطابق انہیں جائزہ کے لئے بورڈ آف ڈائریکٹرز کے [illegible] جاتا ہے اور حسب ضابطہ اس کی منظوری دی جاتی ہے۔

اعلان کرنے کی پالیسی

کمپنی پالیسیوں، کنٹرولز، لاگو ضوابط کے انحراف یا ضابطہ اخلاق کی خلاف ورزی [illegible] کے لئے شفاف اور مؤثر اعلان کرنے کے نظام کے ذریعے اپنے افعال میں احتساب [illegible] پر یقین رکھتی ہے۔

یہ پالیسی کمپنی کے ساتھ منسلک تمام افراد پر لاگو ہوتی ہے اور اس کے تحت انحراف یا [illegible] ورزی کو اعتماد اور بغیر کسی انتقامی کارروائی کے ڈر سے ظاہر کیا جا سکتا ہے۔

رابطہ سازی

کمپنی اپنے حصص داران کے ساتھ درست انداز میں رابطہ سازی کے لئے پرعزم [illegible] سالانہ، نصف سالہ اور سہ ماہی رپورٹس مطلوبہ وقت میں تقسیم کی جاتی ہیں۔ کمپنی اپنی [illegible] سرگرمیاں اپنی ویب سائٹ www.pakistancables.com پر باقاعدگی [illegible] اپ ڈیٹ کرتی ہے جس میں انویسٹر سے تعلقات کا سیکشن موجود ہے۔

سرمایہ داروں کی دادرسی کی پالیسی

کمپنی اپنے حصص داران کے تحفظات اور شکایات، درخواست پر عمل کرنے کے لئے [illegible] پالیسی پر عمل پیرا ہے۔

[illegible] سے تعلق

[illegible] سے تعلق کی پالیسی منظوری کی ہے جن کی خصوصی تفصیلات حسب ذیل ہیں۔

سٹیک ہولڈرز	کمپنی کے لئے اہمیت	رابطہ کا انتظام
	سرمایہ کے فوائد جس کے تحت مقاصد اور بصیرت پر عمل درآمد میں مدد ملتی ہے	ہم اپنے سرمایہ داران کی گراں قدر حمایت کا اعتراف کرتے ہیں اور ان کے سرمایہ پر موزوں آمدنی فراہم کر کے انہیں منسلک رکھتے ہیں۔
	ہمارے سپلائرز سپورٹ سسٹم ہیں جو ہمیں بہترین کام کرنے کے قابل بناتے ہیں۔ ہمارے صارفین کی وفاداری ہمیں اپنے ویژن اور اہداف کو پہچاننے کے قابل بناتی ہے۔	ہم اس طرح اپنے افعال سرانجام دیتے ہیں جو ہمارے صارفین اور سپلائرز کی حمایت کرنے میں مدد دیتے ہیں جس کے نتیجے میں ڈیلنگ کی لچک دار/ موافق شرائط و ضوابط اور بروقت ادائیگی کو یقینی بنایا جاتا ہے۔
خواہان	مستقبل کی منصوبہ بندی، کم لاگت قرضوں کے انتظام کے قابل بناتے ہیں جس کی وجہ سے ہماری آپریشنل کارکردگی میں مدد ملتی ہے۔	ادائیگی کے شیڈول کو ترجیح دے کر اور ہماری ڈیلنگز کی مد میں درست اور شفاف معلومات کے فوائد ہمیں بینک اور دیگر قرض خواہان کے ساتھ بہتر شرائط مرتب کرنے میں مدد دیتے ہیں۔
	اپنے صارفین اور دیگر سٹیک ہولڈرز کو باخبر رکھنے کے قابل بناتا ہے اور اپنی مصنوعات، سکیموں اور دیگر بنیادی معلومات سے متعلق آگاہی کے قابل بناتا ہے۔	کثیر تعداد میں رابطہ کے طریقہ ہائے کار استعمال کئے جاتے ہیں، جو حالات کے مطابق مرتب کئے جاتے ہیں۔ تا کہ ہم معلومات فراہم کر سکیں اور اپنے سٹیک ہولڈرز کو باخبر رکھ سکیں۔
	مساوی مواقع فراہم کرنے اور شفافیت برقرار رکھنے میں ہماری مدد کرتے ہیں۔	ہم ذمہ دار کاروباری شہری ہیں اور قانونی اور ریگولیٹری فریم ورک کے اندر رہ کر کام کرنے میں ہم فخر محسوس کرتے ہیں۔
	ہماری افعال کی بنیاد بناتے ہیں اور کمپنی کے لئے انتہائی اہمیت کے حامل ہیں۔	ہمارا رابطہ سازی کا باضابطہ عمل، HR معاملات اور پالیسیاں متنوع اور غیر جانب دار کام کا ماحول تیار کرنے میں مدد دیتی ہیں۔
	ہمارے تمام دیگر سٹیک ہولڈرز پر مشتمل ہے اور ہم ان پر مثبت اثرات ڈالنے کے لئے مسلسل کوشاں ہیں۔	کاربن باقیات کو کم کرنے کے لئے اقدامات کئے گئے ہیں اور CSR سرگرمیوں کے ذریعے معاشرے کو کچھ واپس بھی کر رہے ہیں۔

ڈائریکٹرز، ایگزیکٹوان کے اہلیان اور کم سن بچوں کی جانب سے کمپنی کے حصص میں تجارت

نام	منتقل الیہ/ انتقال دہندہ	عہدہ/تعلق	حصص کی تعداد	لین دین کی نوعیت
...چنائے		ڈائریکٹر	848,814 رائٹ حصص	خرید
...ب شیرازی	منتقل الیہ	ڈائریکٹر	2,500 رائٹ حصص	خرید
...اق عالم	منتقل الیہ	ڈائریکٹر	33 رائٹ حصص	خرید
...کمال چنائے	منتقل الیہ	ڈائریکٹر کی اہلیہ	16,804 رائٹ حصص	خرید
...سعدیہ ایس راشد	منتقل الیہ منتقل کنندہ	ڈائریکٹر کی اہلیہ	360,747 رائٹ حصص 1,064,567 حصص	خرید فروخت
...حسن عرفان	منتقل الیہ	ایگزیکٹو	5000 رائٹ حصص	خرید
...ناصر خان	منتقل الیہ	ایگزیکٹو	5000 رائٹ حصص	خرید
...م محمد خان	منتقل الیہ	ایگزیکٹو	1,000 رائٹ حصص	خرید
...ان غنی مرزا	منتقل الیہ	ایگزیکٹو	1,000 رائٹ حصص	خرید
...الحسنین ملک	منتقل الیہ	ایگزیکٹو	2,000 رائٹ حصص	خرید
...ید محمد حسن	منتقل الیہ	ایگزیکٹو	3,500 رائٹ حصص	خرید
...ان شاہ	منتقل الیہ	ایگزیکٹو	13,500 رائٹ حصص	خرید
...شاہد جمانی	منتقل الیہ	ایگزیکٹو	7,500 رائٹ حصص	خرید
...طالحیٰ خان	منتقل الیہ	ایگزیکٹو	1,201 رائٹ حصص	خرید
...عبدالرزاق	منتقل الیہ	ایگزیکٹو	5,000 رائٹ حصص	خرید
...مریم درانی	منتقل الیہ	ایگزیکٹو	10,000 رائٹ حصص	خرید
...سیم اسماعیل	منتقل الیہ	ایگزیکٹو	33 رائٹ حصص	خرید
...سلان ستار	منتقل الیہ	ایگزیکٹو	569 رائٹ حصص	خرید

بورڈ نے کاروبار چلانے اور کمپنی کو لاحق خطرات کی نگرانی / کمی کے لئے باضابطہ پالیسیوں کی منظوری دی ہے اور ان پر نظر ثانی بھی کی ہے۔ اور بااختیار انٹرنل آڈٹ ڈیپارٹمنٹ کے ذریعے ان کی نگرانی کو یقینی بناتا ہے اور کمپنی پالیسیوں پر عمل درآمد کی مسلسل نگرانی بھی کرتا ہے۔

ڈائریکٹرز کا معاوضہ / مشاہیرہ

ڈائریکٹرز کے معاوضہ کو طے کرنے کے لئے باضابطہ اور شفاف طریق عمل ... غرض سے کمپنی نے ایک پالیسی مرتب کی ہے اور کوئی بھی ڈائریکٹر اپنے معاوضہ ... کرسکتا۔ ڈائریکٹرز کو گرویدہ کرنے اور بحال رکھنے کے لئے معاوضے کے ... ہیں تاہم ہمہ وقت اس بات کا خیال رکھا جاتا ہے کہ ایسی سطح آزادی پر ...

بورڈ آف ڈائریکٹرز کے اجلاس

ریگولیٹری قواعد کے مطابق سال میں کم از کم چار مرتبہ بورڈ آف ڈائریکٹرز کے اجلاس منعقد ہوتے ہیں۔ بورڈ کے اجلاس حسب ضرورت اہم اور / یا فوری معاملات پر فیصلہ اور بحث کے لئے ...

مالی سال 2017-2018 کے دوران 6 مرتبہ بورڈ آف ڈائریکٹرز کا اجلاس منعقد ہوا ان اجلاس کی حاضری کی تفصیلات حسب ذیل ہیں:

نام ڈائریکٹر	حاضری
محترم مصطفیٰ اے چنائے	6/6
محترم ہارون رشید	4/6
محترم راڈرک مکڈونلڈ	5/6
محترمہ سعدیہ خان	4/6
محترم ثاقب ایچ شیرازی	3/4
محترم شعیب میر (8 نومبر 2017 کو شمولیت اختیار کی)	6/6
محترم کمال اے چنائے	6/6
محترم محمد اشفاق عالم	3/6
محترم نوید کامران بلوچ (8 نومبر 2017 کو مستعفی ہوئے)	1/2

بورڈ میں تبدیلیاں

عارضی خالی آسامی

سال کے دوران محترم نوید کامران بلوچ کے استعفیٰ پر بورڈ آف ڈائریکٹرز میں ایک عارضی آسامی خالی ہوئی ہے۔ اور اسی دن محترم شعیب میر کی تقرری کے بعد یہ آسامی فوراً بھرگئی تھی۔

ڈائریکٹرز کا تبادلہ

بورڈ کے نئے اراکین تعیناتی کے عمل سے گزر کر آتے ہیں تاکہ انہیں کمپنی اور اس کے مقاصد، کاروباری امور، بنیادی کارکردگی کے اشاروں، مالی حالت، بنیادی پالیسیوں اور بورڈ کے کردار اور ذمہ داریوں سے واقف کرایا جائے۔

ڈائریکٹرز ٹریننگ پروگرام

مندرجہ ذیل چار ڈائریکٹرز نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے بیان کردہ معیار کے مطابق مقامی اداروں کے پیش کردہ ڈائریکٹرز ٹریننگ پروگرام مکمل ...

- محترمہ سعدیہ خان
- محترم شعیب میر
- محترم کمال اے چنائے
- محترم فہد کمال چنائے

محترمہ سعدیہ خان نے INSEAD کی زیر نگرانی بین الاقوامی ڈائریکٹرز پروگرام مکمل ... ہے۔ بقیہ پانچ ڈائریکٹرز نے یا تو استثنیٰ کے لئے SECP سے رجوع کیا ہے یا ... تنسیخ سے پیشتر سند حاصل کی ہے۔

ان سہولیات کا رول آؤٹ مارکیٹ میں اخلاقی اقدار کو مستحکم کرنے کے کمپنی کے عزم کو دہراتا ہے۔ اور اپنے گراں قدر صارفین کو اعلیٰ معیار کی مصنوعات فراہم کرنے پر کوئی سمجھوتہ نہیں کرتی۔

قومی مقاصد کے لئے عطیات

کمپنی محب وطن کاروباری شہری ہونے پر فخر محسوس کرتی ہے، کمپنی نے نہ صرف سال 2017، میں یوم آزادی کی پروقار انداز میں منایا ہے بلکہ یہ قومی اہمیت کے بامعنی مقاصد میں جوش و جذبہ کے ساتھ اپنا کردار ادا کر رہی ہے۔

Independence Day celebrated at the Head Office

سال 2017-18ء کے دوران، کمپنی نے متعدد فلاحی اداروں اور NGO کو عطیات دیئے ہیں جن میں مندرجہ ذیل شامل ہیں:

- آغا خان ایجوکیشن سروسز
- منشیات کے اثرات سے بچاؤ کا ٹرسٹ
- الحراب طبی امداد
- عامر سلطان چنائے فاؤنڈیشن
- بہبود ایسوسی ایشن، کراچی
- کاروان حیات
- OGS ٹرسٹ
- سارک ویمن ایسوسی ایشن

تنوع

تمام ملازمین کے ساتھ مساوی سلوک اور غیر جانب دار ماحول کی برقراری کمپنی کے مقاصد کی بنیادی خاصیت ہے۔ کمپنی مختلف کلچر اور ایمان سے تعلق رکھنے والے لوگوں کے کردار کو پہچانتی ہے۔

خصوصاً خواتین کے لئے خود مختار، محفوظ اور قابل عمل ماحول فراہم کرنے کے لئے کوشاں ہے۔ موجودہ انتظامیہ میں خواتین ملازمین کی پانچ فی صد نمائندگی ہے۔ کمپنی نے خواتین کا عالمی دن پرل کانٹی نینٹل ہوٹل کراچی میں منایا جہاں ایک تقریب میں ڈاکٹر فہمیدہ ... سعدیہ خان اور محترمہ عائشہ تمی حق نے "آج کے دور میں خواتین کے کامیابیاں اور ..." مباحثہ میں حصہ لیا۔

International Women's Day celebrated at the Company with a panel discussion for the employees. Management and staff with esteemed panelist.

کمپنی نے چھاتی کے سرطان پر آگاہی سیمنار کے تحت "پنک توبر" منایا تاکہ وہ اپنی خواتین ملازمین کو چھاتی کی بہترین صحت اور کینسر کی تشخیص سے متعلق آگاہی دے سکیں۔

خواتین سے رابطہ کے لئے بھی کمپنی نے ایک نظام مرتب کیا ہے جس کے تحت خواتین ملازمین کمپنی کو اپنے تحفظات اور تجاویز پیش کر کے ملازمت کے مساوی مواقع پر پورا اترنے میں مدد دیتی ہیں۔

معذور لوگوں کے لئے ملازمت

کمپنی معذور لوگوں کی حوصلہ افزائی کو سماجی اور اخلاقی ذمہ داری سمجھتی ہے۔ اور یہ یقینی بناتی ہے کہ ان کی معذوری ان کی ملازمت میں رکاوٹ نہ ہے۔ حال ہی میں کمپنی نے ایک معذور شخص کو ملازمت دی ہے۔

صحت اور تحفظ

...کی صحت اور تحفظ کا خیال رکھنا اور کام کے صحت ماحول کو یقینی بنانا کمپنی ...کا حامل ہے۔ اس طرح کمپنی کام کی جگہ کو اس طرح مرتب کرنے سے ...متعلق خطرات کو کم کی جا سکے اور پیشہ ورانہ حفظان صحت و یقینی بنایا۔ ...صحت، تحفظ اور ماحول کے انتظامی سسٹم اور HSE پالیسی کی حامل ...ضوابط پر عمل کرنے کے ہر ملازم کے فرض کو مستحکم تربیتی پروگرام اور خود ...اور مسلسل انتظامی جائزہ کے ذریعے یقینی بنایا جاتا ہے۔ تمام شعبہ ...بیرونی لگاتار آڈٹ کئے جاتے ہیں تاکہ تعمیل کا جائزہ لیا جا سکے۔ ...تجدید کی جاتی ہے تاکہ تمام واقعات کی فوری رپورٹنگ کی حوصلہ افزائی کر کے کام کی ...ت سے پاک رکھا جائے۔ بعد ازاں اس پر سخت تحقیق کی جاتی ہے تاکہ مستقبل میں ...ات سے بچا جا سکے۔

...دوران کمپنی نے حادثات کی وجہ سے وقت کے ضیاع کے بغیر 2.5 ملین گھنٹے سے ...کیا ہے۔ پیشہ ورانہ صحت اور تحفظ پر HSE کے اہداف میں مندرجہ ذیل شامل ہیں:

...مین گارڈنگ
...فیکٹری کے فلور پر PPE کا لازمی استعمال
...الیکٹریکل حادثات سے بچاؤ کے لئے لاک آؤٹ اور ٹیگ آؤٹ پروگرام کا آغاز
...فورک فائر ہائڈرنٹ ٹرالیوں کی بہتات
...صحت اور اصول صحت سے متعلق ماہانہ سروے کا انعقاد
...کمپنی کے ڈاکٹر کی جانب سے تمام ملازمین کے عمومی طبی معائنہ کا انعقاد
...ہیزائزنگ جگہ پر کام کرنے والے ملازمین کے لئے پلمونری فنکشن ٹیسٹ کا انعقاد
...اور ان کی نقل و حرکت میں شامل افراد کے لئے ویکسی نیشن پروگرام کا انعقاد

...مقاصد کے تناظر میں، کمپنی OHSAS 18001:2007 (پیشہ ورانہ صحت اور ...انتظامی نظام) کے لئے تصدیق شدہ ہے۔ کمپنی پاکستان کی بہترین کمپنیوں میں سے ...ہے جس نے نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ کے ساتویں، آٹھویں، دسویں اور ...سالانہ انوائرنمنٹ ایکسلنس ایوارڈ حاصل کئے ہیں۔

لین دین کی نوعیت

... آفیسر براہ راست رابطہ سازی کرتا ہے۔ اور جہاں ... متعلق آگاہی بھی فراہم کرتا ہے۔

چیف ایگزیکٹو آفیسر کا کردار

چیف ایگزیکٹو آفیسر ("CEO") حصص داران کے لئے احترام کا رویہ رکھ کر ترقیاتی کاموں اور کمپنی کے طویل مدتی لائحہ عمل کے نفاذ کے لئے ذمہ دار ہے۔ CEO کا سربراہی کردار یہ بھی ظاہر کرتا ہے کہ وہ انتظامیہ کے روزمرہ کے فیصلوں پر نظر رکھے اور کمپنی کے مقاصد کے حصول کے لئے اپنا کردار ادا کرے۔ CEO بورڈ اور کمپنی کی انتظامیہ کے مابین براہ راست رابطہ سازی کرتا ہے اور انتظامیہ کی جانب سے بورڈ کو آگاہ کرتا ہے۔

بورڈ آف ڈائریکٹرز کا کردار اور ذمہ داریاں

بورڈ کے اراکین اجتماعی اور انفرادی طور پر اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔ بورڈ کمپنی کے تمام بڑے فیصلوں میں شامل ہوتا ہے جس میں سرمایہ داری اخراجات کے بجٹ کی منظوری، سرمایہ کاری، ایکویٹی اور ڈیٹ کیپٹل، متعلقہ پارٹی لین دین اور بنیادی انتظامی عہدوں کی تقرری شامل ہیں۔

بورڈ نے، بورڈ آڈٹ کمیٹی کی سفارشات پر، خطرات کی گورننس پر پالیسی اور انٹرنل کنٹرول پالیسی منظور کی ہے جس کے تحت یہ کمپنی کے آپریشنز اور کمپنی کی مالی اسٹیٹمنٹس، اندرونی اور بیرونی آڈٹ جائزہ پر نظر ثانی، اگر کوئی ہے، اور منافع منقسمہ کی سفارشات کی منظوری کے بعد اندرونی مالی کنٹرولز کی موزونیت کی نگرانی کرتا ہے۔ بورڈ، بورڈ آڈٹ کمیٹی کی سفارشات پر، کمپنی میں نافذ کرنے کے لئے کاروباری روانی منصوبہ اور آفات کے بعد بحالی کا منصوبہ بھی منظور کیا ہے۔

...پالیسی کا عمومی جائزہ

...ری سماجی ذمہ داری کو کاروباری نقطۂ نظر سے دیکھتی ہے جس کے نتیجے میں عوام ...حاشی، سماجی اور ماحولیاتی فوائد کو بڑھا کر پائیدار ترقی کی جانب اپنا کردار ادا کر رہی ...ی کاروباری شہری بنا کمپنی کی بنیادی اقدار میں شامل ہے اور یہی اقدار کمپنی کے ...ں شامل ہیں۔

...انتظامیہ اور گورنس کے ذمہ دار کاروباری شہری بننے کے اپنے فرائض سے بخوبی آگاہ ...تناظر میں وہ مکمل طور پر پرعزم ہیں۔ کمپنی یہ یقینی بنانے کے لئے پرعزم ہے کہ اپنے ...کے دوران صحت، تحفظ اور ماحولیات میں اچھی اقدار کو برقرار رکھا جائے۔ مزید ...ی بہتری پر بھرپور توجہ کمپنی کا خاصہ رہا ہے جس کے ذریعے پاکستان میں کئی آبادیوں ...ی جا رہی ہے۔

...سے ہماری دلچسپی کے امور صرف ماحولیاتی تحفظ، تعلیم، صحت، معاشرے کی سماجی ...تک محدود نہیں۔

CS... سرگرمیاں

2017-18 کے دوران، CSR سرگرمیوں اور عطیات کی مد میں کمپنی کا سماجی خرچ ...کے بعد منافع کا تقریباً 3.6 فیصد رہا۔ بنیادی اقدامات میں مندرجہ ذیل شامل ہیں:

سولر لیمپ ڈرائیو

کمپنی نے دوسرے مسلسل سال کے لئے HELP بلوچستان، کوئٹہ کی ایک NGO، ...ودکی بلوچستان کی کان کن آبادی میں سولر لیمپ فراہم کرنے میں تعاون کیا ہے۔ HELP نے فروری 2018ء میں اس پروجیکٹ پر کام کیا اور اس سرگرمی سے 2,000 سے زائد گھرانوں نے استفادہ حاصل کیا۔

Left: Solar lamp distribution drive recipients at Duki, Balochistan
Right: PCL sponsored gold medals for the GIKI students.

ریل آن...

سال 016...
ریل آن۔...
تھا۔ مقا...
تبدیل کیا جو کراچی میں سلولوں، ہسپتا...
رکھی گئیں۔ دسمبر 2017ء میں، CSR سرگرمی 'ریل آن ہے' کے 13 ماہ مکمل ہونے پر کمپنی نے کافی ٹیبل بک 'کراچی پر ایک ریل۔ شہر میں آرٹ تنصیبات' کا افتتاح کیا۔ ''کراچی پر ایک ریل' کا ای بک مفت مسودہ کمپنی کی آفیشل ویب سائٹ www.pakistancales.com پر موجود ہے۔

Book launch: A reel on Karachi – a compilation of art installations in Karachi, launched by PCL marking completion of its CSR initiative REEL ON HAI

کمیونٹی سرمایہ داری اور فلاحی سکیمیں

کمپنی کئی اقدامات کو تعاون کر کے پاکستان بھر میں تعلیمی اداروں کی مدد کرتی ہے جس کے نتیجہ میں نوجوانوں میں غیر نصابی سرگرمیوں کی ترغیب میں مدد ملتی ہے۔ اور پاکستان میں ماہرین کی آئندہ کی نسل کو تقویت ملتی ہے۔

صارفین کے تحفظ کے لئے اقدامات

جعل سازی سے متعلق صارفین میں آگاہی پیدا کرنے کی غرض سے کمپنی نے تیزی سے کام شروع کیا ہے اور کمپنی نے مصنوعات کی تصدیق کا نظام قائم کیا ہے۔ تیز اور استعمال میں آسان، صارفین اب مصنوعات پر موجود خفیہ کوڈ کو کھرچ کر 8006 پر SMS کر کے فوری تصدیق کر سکتے ہیں۔ مزید برآں، صارفین کے سوالوں کا جواب دینے کے لئے 'ہیلپ لائن' بھی قائم کی گئی ہے۔ ڈیلرز، الیکٹریشنز، صارفین نے اس اقدام کو سراہا ہے اور ہر ماہ اوسط تصدیقی سوالات آتے ہیں جس کی تعداد 2016ء کے مقابلہ میں رواں سال بڑھی ہے۔

پائیداری

خارج مادوں کے صنعتی اثرات کا خاتمہ اور سماجی آگاہی

کمپنی کاربن اثرات سے بہت زیادہ باخبر ہے اور معاشرے پر اپنی ذمہ داری سے بھی آگاہ ہے۔ پس کمپنی نے اپنے کاموں کے اثرات کو کم کرنے کے لئے مندرجہ ذیل عوامل کا اطلاق کیا ہے:

- گرد آلود ٹینکوں/ گڑھوں کی متواتر صفائی تا کہ خارج مادوں کی ''محفوظ صفائی'' کو یقینی بنایا جا سکے۔
- ضائع پانی کے واٹر ٹریٹمنٹ پلانٹ کی روانی کو یقینی بنانا اور سندھ انوائرنمنٹ پروٹیکشن ایجنسی (SEPA) سے تصدیق شدہ ٹھیکے داروں کے ذریعے گارے/ باقیات کو مناسب انداز میں ضائع کرنا۔
- خارج مادوں کی متواتر نگرانی اور سندھ انوائرنمنٹ کوالٹی سٹینڈرڈز (SEQS) کی مرتب کردہ حدود میں نتائج حاصل کرنا۔
- واضح آگاہی کے پروگراموں اور فلائرز کے ذریعے ماحولیاتی آگاہی کے ''صاف اور سبز ماحول'' پروگرام کا انعقاد

توانائی کے بحران سے نپٹنے کے لئے کمپنی کی کاوشیں

توانائی کے دیگر رپورٹ کئے گئے ذخائر کے علاوہ کمپنی توانائی کے بحران پر قابو پانے کے لئے جدوجہد کر رہی ہے۔ کمپنی نے اپنا مقید پاور پلانٹ قائم کیا ہے جس کے ذریعے متبادل توانائی فراہم کی جاتی ہے اور توانائی کے شعبے پر دباؤ کم ہو جاتا ہے۔

توانائی کی بچت

کمپنی توانائی کے محدود وسائل کو خوش اسلوبی سے استعمال کرنے کی اہمیت کو سمجھتی ہے اور توانائی کی بچت کے لئے مندرجہ ذیل کاوشوں پر کام کر رہی ہے:

- ''ارتھ آور کی اہمیت'' ملازمین کے لئے آگاہی سیمینار
- روزمرہ کی زندگی میں توانائی کی بچت کے طریقوں پر تصویری ہدایات کی تنصیب
- دن کے کھانے اور نماز کے وقت مانیٹرز، روشنیوں، پنکھوں اور ایئر کنڈیشنرز کی کمپنی میں بندش
- ٹیوب لائٹس اور بلب کو LED/ انرجی سیورز سے تبدیل کرنا
- نئی تعمیرات اس طرح کرنا کہ قدرتی روشنی کو زیادہ سے زیادہ استعمال کیا جا سکے

مزید برآں، کمپنی کا مقید پاور پلانٹ ضائع حرارت کی ریکوری اور بخارات کو جذب کرنے والے چلرز سے لیس ہے۔ اور گیس اور بجلی کو زیادہ مہارت سے استعمال کرتے ہیں تا کہ توانائی کی بچت ہو سکے۔

ماحولیاتی تحفظ کے لئے اقدامات

کمپنی ''ماحول دوست'' مصنوعات کی تیاری میں فخر محسوس کرتی ہے۔ کمپنی عالمی معیار کے مطابق پاکستان میں اعلیٰ معیار کی وائر اور کیبل تیار کرنے کے کاروبار سے منسلک ہے ...کیبلوں کی تیاری میں اعلیٰ معیار کی کا پر استعمال کرنے کی وجہ سے ہماری کیبلوں ... پر بجلی کی بچت میں اہم کردار ادا کرتی ہیں۔ اسی طرح سے، ایلم۔ ایکس لکڑی کی ... دروازوں کا متبادل، جنگلات کے کٹاؤ میں کمی لانے میں مدد دیتی ہے۔ مزید برآں، کمپنی ... صارفین کو لکڑی کے کیبل ڈرم واپس کرنے کی تلقین کرتی ہے تا کہ ان کو ری سائیکل کر کے دوبارہ قابل استعمال بنایا جائے اور جنگلات کے کٹاؤ سے بچا جا سکے۔ آلودگی کو ... اور صاف، سبز اور صحت مند ماحول کو برقرار رکھنے کے لئے متعدد اقدامات کئے گئے ہیں ... اقدامات میں استعمال کی گئی گیس کا ماحول میں اخراج سے بچاؤ، ضائع حرارت کی ری سائیکلنگ اور پودوں کے تحفظ کے لئے مسلسل کوشش اور ہارٹی کلچر کے ذریعے فیکٹری کے گرد صاف ماحول کی برقراری اور بہتر ہاؤس کیپنگ وغیرہ شامل ہیں۔

کمپنی انوائرنمنٹل مینجمنٹ سسٹم (EMS) 14001:2015 کے تازہ ترین معیار کے ... تصدیق شدہ ہے۔ مزید برآں، کمپنی مندرجہ ذیل کو اپنا کر ماحولیاتی تحفظ کے لئے کوشاں ہے:

- تمام ماحولیاتی قانونی فرائض کی تعمیل کے ساتھ ساتھ ISO14001 کے عالمی معیار پر عمل درآمد (EMS)
- خارج مادوں، گرد و غبار، شور اور محصور آواز کے معیار کی دوری نگرانی۔
- یہ یقینی بنانا کہ تمام ضائع خارج مادوں کے ٹیسٹ نتائج سندھ انوائرنمنٹل اسٹینڈرڈز کی حدود میں ہیں۔
- مائع کیمیکلز/ آئلز اور لبریکنٹس کی نقل و حمل کے لئے ثانوی محدود حل کا قیام۔
- ضائع مواد کو اکٹھا کرنا اور انہیں ٹھکانے لگانا مثلاً خارج کرنے سے قبل اینوڈائزنگ ویسٹ کو NEQ معیار کے تحت ختم کرنا۔

صنعتی تعلقات

صنعتی تعلقات کی ٹیم کام کا موافق ماحول قائم کرنے میں انتظامیہ کی معاونت کرتی ہے تاکہ کمپنی اپنے ملازمین کی جانب سماجی اور قانونی ذمہ داریوں بشمول کام کی نوعیت، کام کے دوران معیار زندگی اور HSE معیارات کی برقراری کو یقینی بنایا جا سکے۔ یہ شعبہ لیبر لاز، خدمات کے قوانین، یونین معاہدوں اور تادیبی کارروائیوں کے متعلقہ شعبوں کو پیشہ ورانہ مشورہ/ مدد فراہم کرتا ہے۔

30 جون 2018ء کو ملازمین کی مجموعی تعداد 489 ہے۔ تمام سطحوں پر ملازمین سے تعلقات سال بھر میں مستحکم رہے۔ یونین اور انتظامیہ کے تعلقات دوستانہ رہے اور زیر جائزہ سال کے دوران صنعتی سکون قائم رہا۔

انفارمیشن ٹیکنالوجی

مواصلاتی نظام اور کاروباری ایپلیکیشنز کی باضابطہ تجدید کے عہد کے پیش نظر کمپنی نے حال ہی میں ہیومن ریسورس انتظامی سسٹم (HRMS) کی تجدید کی ہے اور متعدد شعبوں میں اپنے ERP سسٹم کے ذریعے رپورٹنگ پر نگرانی جاری رکھے ہوئے ہے۔

نئی ٹیکنالوجی کے استعمال کے لئے ہماری مسلسل جدوجہد کے پیش نظر ہم بہتر تحفظ اور ڈیٹا کی دستیابی کے لئے کلاؤڈ انفراسٹرکچر سے استفادہ حاصل کر رہے ہیں۔ ہم KPI مانیٹرنگ اور فیصلہ سازی کے لئے عالمی معیار کے کاروباری ذہانتی آلات کے لئے بھی کوشاں ہیں۔

ایوارڈز اور سندیں

رواں سال کے دوران، کمپنی نے سال 2016-17 کے لئے وفاق پاکستان چیمبرز آف کامرس اینڈ انڈسٹری (FPCCI) ایکسپورٹ ایوارڈ حاصل کیا ہے۔ یہ ایوارڈ صدر مملکت سینٹ پاکستان نے پیش کیا تھا۔

The Company was awarded the 'Merit Export Award' for the 3rd consecutive year by the Federation of Pakistan Chamber of Commerce & Industries (FPCCI), at the 42nd annual export award ceremony.

کمپنی کی 3x400 مربع ملی میٹر AI/XLPE/SWA/PVC الیکٹریکل 15 کلوواٹ میڈیم وولٹیج کیبل کے لئے KEMA لیبارٹری، ہالینڈ کی جانب سے KEMA گولڈ سرٹیفکیٹ بھی حاصل کیا ہے۔

خطرات اور مواقع کی رپورٹنگ

بورڈ کمپنی کو درپیش بنیادی خطرات کا تعین کرتا ہے جس میں وہ خطرات بھی شامل ہیں جو کاروباری عمل، کارکردگی اور کمپنی کی ایصالیت پر اثرانداز ہوتے ہیں۔ اب تک متعین خطرات کا خلاصہ حسب ذیل ہے:

	ذریعہ	تخفیفی حکمت عملی
حکمت عملی سے متعلق خطرات		
ٹیکنالوجی کی ضروریات کو تبدیلی کر کے موجودہ مصنوعات کو ترک کرنا	تبدیلی کی ترتیبات	مارکیٹ کے تمام شعبوں سے نبرد آزما ہونے کے لئے مصنوعات کے پورٹ فولیو میں تبدیلی
تجارتی خطرات		
کیبل اور وائر کی درآمد میں اضافہ	حکومتی پالیسیاں	مقامی صنعت کے تحفظ کے لئے حکومتی پالیسی میں تبدیلی کے لئے آواز اٹھانا

	ذریعہ	
…قیمتوں میں عدم استحکام	لندن میٹل ایکسچینج	
…کیبل اور غیر منظم شعبہ کی جانب …مصنوعات	غیر دستاویزی پیداوار اور سپلائی سیکٹر	کمپنی نے اس خطرہ سے نبرد آزما ہونے کے لئے متعدد اقدامات کئے ہیں جیسا کہ IP تحفظ میں متحرک ثالثین سے رابطہ اور مصنوعات کی توثیق کے نظام کی تعارف جس سے صارفین SMS یا انٹرنیٹ کے ذریعے مصنوعات کی صداقت کی توثیق کر سکیں۔
…سے متعلق خطرہ	متغیر سپلائی ڈیمانڈز	درست اشیا کی نشان دہی اور مصنوعات کی تعداد کو اپنی فہرست میں رکھنے کی غرض سے صارفین کے آرڈر اور باقاعدہ نگرانی پر عمل کرنا۔
…میں اضافہ	مارکیٹ	مصنوعات کی ترتیب کو تغیر پذیر کرنا اور مقابل سے آگے رہنے کے لئے فروخت کی حکمت عملی مرتب کرنا۔ برتری کے معیار کو برقرار رکھنا۔
…خدشات		
…کا ختم ہو جانا	ہیکنگ، قدرتی آفات، وائرس	آئی ٹی پر مضبوط کنٹرول، باقاعدہ آڈٹ اور آئی ٹی کنٹرول کی نگرانی
…کی عدم دستیابی	توانائی کا قومی بحران	مقید پاور پلانٹ کا قیام اور حکومت کی جانب سے گیس کے اضافی اجرا سے مستفید ہونا
…کی کمی	مارکیٹ اتار چڑھاؤ	جامع تسلسل کی منصوبہ بندی کرنا جس سے اعلیٰ کارکردگی دکھانے والے ملازمین کی نشاندہی کی جا سکے۔
…خدشات		
…کے خدشات	روپے کی قدر میں کمی	غیر ملکی کرنسی میں قرض حاصل کرنے میں کمی اور مبادلہ کی شرحی سطحوں کی مسلسل نگرانی

صنعتی تعلقات

صنعتی تعلقات کی ٹیم کام کا موافق ماحول قائم کرنے میں انتظامیہ کی معاونت کرتی ہے تا کہ کمپنی اپنے ملازمین کی جانب سماجی اور قانونی ذمہ داریوں بشمول کام کی نوعیت، کام کے دوران معیار زندگی اور HSE معیارات کی برقراری کو یقینی بنایا جا سکے۔ یہ شعبہ لیبر لاز، خدمات کے قوانین، یونین معاہدوں اور تادیبی کارروائیوں کے متعلقہ شعبوں کو پیشہ ورانہ مشورہ/ مدد فراہم کرتا ہے۔

30 جون 2018 کو ملازمین کی مجموعی تعداد 489 ہے۔ تمام سطحوں پر ملازمین سے تعلقات سال بھر میں مستحکم رہے۔ یونین اور انتظامیہ کے تعلقات دوستانہ رہے اور زیر جائزہ سال کے دوران صنعتی سکون قائم رہا۔

انفارمیشن ٹیکنالوجی

مواصلاتی نظام اور کاروباری ایپلیکیشنز کی باضابطہ تجدید کے عہد کے پیش نظر کمپنی نے حال ہی میں ہیومن ریسورس انتظامی سسٹم (HRMS) کی تجدید کی ہے اور متعدد شعبوں میں اپنے ERP سسٹم کے ذریعے رپورٹنگ پر نگرانی جاری رکھے ہوئے ہے۔

نئی ٹیکنالوجی کے استعمال کے لئے ہماری مسلسل جدوجہد کے پیش نظر ہم بہتر تحفظ اور ڈیٹا کی دستیابی کے لئے کلاؤڈ انفراسٹرکچر سے استفادہ حاصل کر رہے ہیں۔ ہم KPI مانیٹرنگ اور فیصلہ سازی کے لئے عالمی معیار کے کاروباری ذہانتی آلات کے لئے بھی کوشاں ہیں۔

ایوارڈز اور سندیں

رواں سال کے دوران، کمپنی نے سال 17-2016 کے لئے وفاق پاکستان چیمبرز آف کامرس اینڈ انڈسٹری (FPCCI) ایکسپورٹ ایوارڈ حاصل کیا ہے۔ یہ ایوارڈ [illegible] سینٹ پاکستان نے پیش کیا تھا۔

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کمپنی کی 3x400 مربع ملی میٹر AI/XLPE/SWA/PVC ٹرپل [illegible] 15 کلوواٹ میڈیم وولٹیج کیبل کے لئے KEMA لیبارٹری، ہالینڈ کی جانب سے KEMA گولڈ سرٹیفکیٹ بھی حاصل کیا ہے۔

خطرات اور مواقع کی رپورٹنگ

بورڈ کمپنی کو درپیش بنیادی خطرات کا تعین کرتا ہے جس میں وہ خطرات بھی شامل ہیں جو کاروباری عمل، کارکردگی اور کمپنی کی ایصالیت پر اثر انداز ہوتے ہیں۔ اب تک متعین خطرات کا خلاصہ حسب ذیل [illegible]

	ذریعہ	تخفیفی حکمت عملی
حکمت عملی سے متعلق خطرات		
ٹیکنالوجی کی ضروریات کو تبدیلی کر کے موجودہ مصنوعات کو ترک کرنا	تبدیلی کی ترجیحات	مارکیٹ کے تمام شعبوں سے نبرد آزما ہونے کے لئے مصنوعات کے پورٹ فولیو میں تبدیلی
تجارتی خطرات		
کیبل اور وائر کی درآمد میں اضافہ	حکومتی پالیسیاں	مقامی صنعت کے تحفظ کے لئے حکومتی پالیسی میں تبدیلی کے لئے آواز اٹھانا
[illegible] کی قیمتوں میں عدم استحکام	لندن میٹل ایکسچینج	کمپنی خطرات سے نپٹنے اور حل کرنے کی جامع حکمت عملی کی حامل ہے جس کے تحت یہ یقینی بنانے کی کوشش کی جاتی ہے کہ کاپر اور ایلومینیم کی قیمتوں میں اتار چڑھاؤ کی وجہ سے خسارہ نہ ہو۔
[illegible] کیبل اور غیر منظم شعبہ کی جانب [illegible] مصنوعات	غیر دستاویزی پیداوار اور سپلائی سیکٹر	کمپنی نے اس خطرہ سے نبرد آزما ہونے کے لئے متعدد اقدامات کئے ہیں جیسا کہ IP تحفظ میں متحرک ثالثین سے رابطہ اور مصنوعات کی توثیق کے نظام کی تعارف جس سے صارفین SMS یا انٹرنیٹ کے ذریعے مصنوعات کی صداقت کی توثیق کر سکیں۔
[illegible] سے متعلقہ خطرہ	متغیر سپلائی ڈیمانڈز	درست اشیا کی نشاندہی اور مصنوعات کی تعداد کو اپنی فہرست میں رکھنے کی غرض سے صارفین کے آرڈر اور باقاعدہ نگرانی پر عمل کرنا۔
[illegible] میں اضافہ	مارکیٹ	مصنوعات کی ترتیب کو تغیر پذیر کرنا اور مقابل سے آگے رہنے کے لئے فروخت کی حکمت عملی مرتب کرنا۔ برتری کے معیار کو برقرار رکھنا۔
[illegible] نل خدشات		
[illegible] سکیورٹی کا ختم ہو جانا	ہیکنگ، قدرتی آفات، وائرس	آئی ٹی پر مضبوط کنٹرول، باقاعدہ آڈٹ اور آئی ٹی کنٹرول کی نگرانی
[illegible] توانائی کی عدم دستیابی	توانائی کا قومی بحران	مقید پاور پلانٹ کا قیام اور حکومت کی جانب سے گیس کے اضافی اجراء سے مستفید ہونا
[illegible] بنیادی عملہ کی کمی	مارکیٹ اتار چڑھاؤ	جامع تسلسل کی منصوبہ بندی کرنا جس سے اعلیٰ کارکردگی دکھانے والے ملازمین کی نشاندہی کی جا سکے۔
[illegible] خدشات		
[illegible] مبادلہ کے خدشات	روپے کی قدر میں کمی	غیر ملکی کرنسی میں قرض حاصل کرنے میں کمی اور مبادلہ کی شرحی سطحوں کی مسلسل نگرانی

کاروباری جائزہ

مجموعی طور پر زیر جائزہ سال کے دوران کاروباری ماحول مشکلات کا شکار رہا۔ خصوصی استثنی کے ساتھ منصوبوں کے لئے کیبلز کی درآمد میں اضافہ کے ساتھ مقامی صنعت پر خسارے کے بادل چھائے رہے۔ مجموعی طور پر کیبل انڈسٹری میں اضافی سہولیات کی وجہ سے مقامی منصوبوں پر اخراجات سال بھر جامد رہے۔ باوجود اس کے، کمپنی پرامید ہے کہ تعمیرات اور بنیادی ڈھانچہ کی ترقی بنیادی طور پر پاکستان کے لئے بہت ضروری ہے اور وائر اور کیبل کی طلب میں اضافہ کی توقع کی جاتی ہے۔ کئی شعبے توسیع BMR بشمول سیمنٹ، اسٹیل، بلڈرز اور ڈیویلپرز اور بلڈنگ میٹریل کے لئے متحرک رہے۔

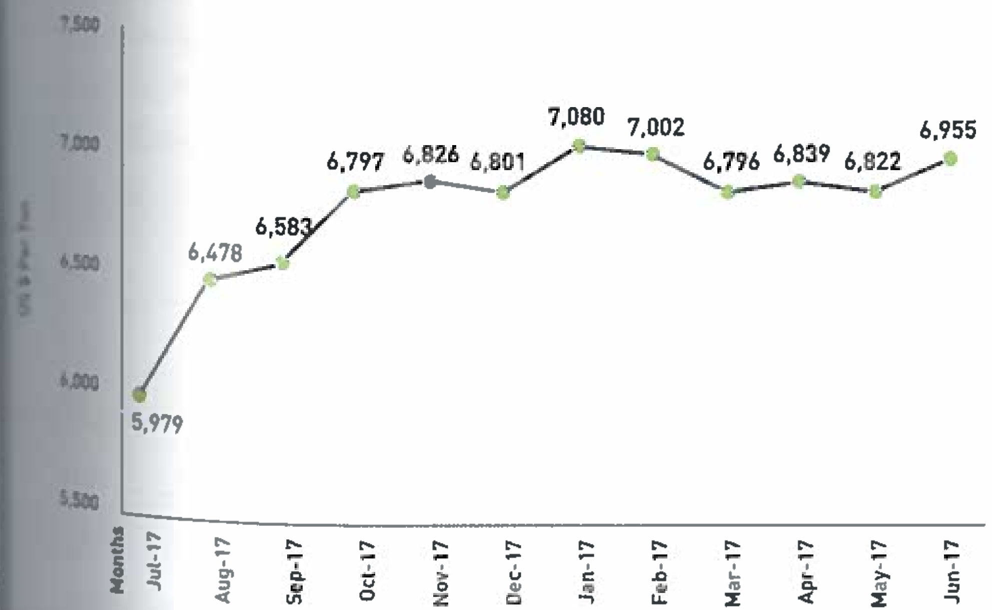
وائرنگ کی طلب میں بھی کافی اضافہ دیکھا گیا۔ ہم نے اپنی تجارتی بنیادوں پر کئی ٹاؤن تعمیر کئے اور اپنی ڈیلر بیس بڑھائی جس کے نتیجے میں ہماری رسائی میں اضافہ ہوا۔

عالمی کاپر اور ایلومینیم منظر نامہ

کیبلز، کاپر کی سلاخوں اور ایلومینیم مائعات کی قیمتیں کاپر اور ایلومینیم کی عالمی منڈی سے مضبوطی سے جڑی ہوئی ہیں۔ دونوں بنیادی میٹریل کی لندن میٹل ایکسچینج (LME) میں تجارت کی جاتی ہے جو دنیا کی سب سے بڑی غیر آہنی دھاتی مارکیٹ ہے۔ ... حالات کے زیر اثر سال 2017ء میں LME میٹل معاہدوں کا حجم سال 2016ء ... مساوی ہی رہا۔ LME پر تجارتی معاہدوں کا اوسط روزانہ حجم (ADV) 1 فی صد ... 2016ء سے زائد ہے۔ ان دونوں دھاتوں کی قیمت کا تعین LME میں کیا جاتا ہے ... ایلومینیم اور کاپر کی قیمتوں میں اتار چڑھاؤ کا براہ راست اثر ہماری مصنوعات پر ... ہے۔

سال بھر میں LME پر کاپر کی قیمت مستحکم رہی اور اس کا گراف انتہائی سطح پر ... ماہ دسمبر میں 7,216 ڈالر فی ٹن تھا۔ جو گذشتہ چار سالوں میں سب سے زیادہ ہے ... بنیادی وجہ چین کی طلب میں اضافہ، ذخیرہ اندوزی میں کمی اور سرمایہ داروں کی دلچسپی میں اضافہ ہے۔ تاہم مارچ کے مہینے میں قیمتیں کم ہوئیں اور چین امریکہ تجارتی تعلقات ... تحفظات کی وجہ سے 6,500 ڈالر فی ٹن تک گر گئی۔ اور جون کے اختتام پر 6,846 ڈالر ... بند ہوئی۔ جو گذشتہ برس میں 13 فی اضافہ کی عکاسی کرتی ہے۔ LME پر کاپر کی ... قیمتوں کا گراف حسب ذیل ہے:

Avg. Monthly L.M.E. of Copper US$/ ton
Jul 2017 - Jun 2018



... اور ایصالیت

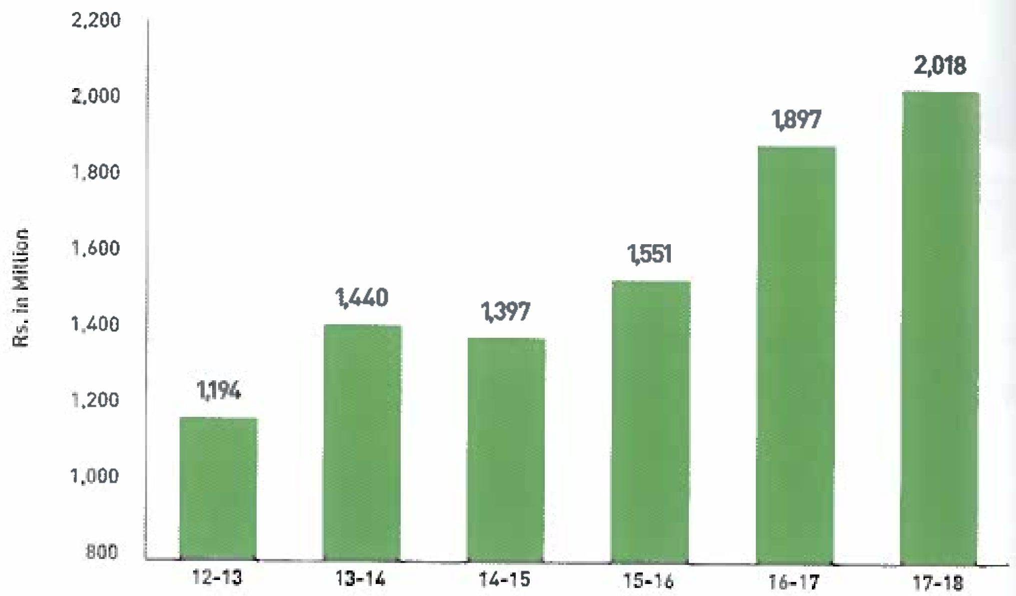
... ایصالیت کو یقینی بنانے کے لئے کیش فلو پر مسلسل نگرانی رکھے ہوئے ہے۔ مالی سال ... پر یٹرز سے کمپنی کا کیش فلو زیادہ سرمایہ کی ضرورت کی وجہ سے محدود رہا کیونکہ مالی ... آخری مہینہ میں انتہائی زیادہ سیلز کی وجہ سے تجارتی قرضے بلند سطح پر پہنچ گئے۔

... سود اور زرمبادلہ پر گہری نگرانی رکھے ہوئے تاکہ بچت کے تمام مواقع سے استفادہ حاصل کیا جا سکے۔

قومی معیشت میں کردار

سال بھر میں محصولات، سیلز ٹیکس وغیرہ کی مد میں قومی خزانہ میں کمپنی کا حصہ 2,018 ملین روپے رہا (2016-17: 1,897 ملین روپے)۔

Contribution to National Economy



... تبدیلیاں

... 2018ء سے اس رپورٹ کی مقررہ تاریخ تک کوئی مادی تبدیلی نہ ہوئی اور اس ... کمپنی نے کوئی معاہدہ طے نہ کیا ہے جس کی وجہ سے کمپنی کی مالی حالت پر کوئی برا ... ہے۔

... سرمایہ

... وسائل کی ٹیم عملہ میں اضافہ کے لئے کمپنی کی صلاحیت بڑھانے اور اس کی مدد کرنے ... متحرک رہی ہے۔ انسانی وسائل کی ٹیم انسانی صلاحیت کو نکھارنے اور اسے درست ... ڈالنے کے لئے کمپنی کی مدد کرتی ہے تاکہ کمپنی اپنے اہداف اور بصیرت کو حاصل کر سکے۔ یہ ٹیم متعلقہ شعبوں میں بھرتی اور تربیت کے لئے ضروریات کی شناخت کرنے اور کمپنی میں درست افراد کو شامل کرنے کے لئے بھرتی کرنے کی حکمت عملی طے کرنے کی ذمہ دار ہے۔ یہ ٹیم ملازمین کی صلاحیت کو سامنے لانے کا بھی عہد کرتی ہے اور بھرتی کے مختلف سرگرمیوں جیسا کہ کیریئر فیئر منعقد کرنے کی بھی ذمہ دار ہے۔

ایچ آر۔ تسلسل پالیسی

بورڈ نے تسلسل کی منصوبہ بندی پالیسی منظور کی ہے جس کی بنیاد پر کمپنی بنیادی عہدوں میں نشست خالی ہونے پر تعطل سے بچنے کے لئے ملازمین کی شناخت اور موزوں تربیت کی جاتی ہے۔ تاکہ ذمہ داریوں کی روانی جاری رہے اور کمپنی کے افعال بھی لگاتار چلتے رہیں۔

ڈائریکٹرز رپورٹ

30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ کھاتوں کے ہمراہ 65ویں سالانہ رپورٹ پیش کرنے میں ڈائریکٹرز دلی مسرت محسوس کرتے ہیں۔

کمپنی کا عمومی جائزہ

1953ء میں قائم ہونے والی پاکستان کیبلز لمیٹڈ پاکستان کی کیبل انڈسٹری میں بانی کمپنیوں میں شمار ہوتی ہے۔ کمپنی 1953ء سے بنیادی طور پر کنڈکٹرز، کیبلز اور بجلی کی ترسیل اور تقسیم کے لئے تاروں کی تیاری سے منسلک رہی۔ صارفین کی بڑھتی ہوئی طلب کے نتیجہ میں وائرز اور کیبلز کی تیاری کے لئے راڈ کی بڑھتی ہوئی ضرورت کے پیش نظر حالیہ برسوں میں پلانٹ کی صلاحیت میں لگاتار اضافہ کیا جا رہا ہے۔ سال 2008ء میں اعلیٰ معیار کی الیکٹرک کیبل گریڈ PVC کمپاؤنڈ کی تیاری کے لئے کمپنی نے PVC کمپاؤنڈنگ پلانٹ لگایا تا کہ کمپنی اپنے

کارکردگی کا جائزہ

کاروباری پیش رفت

کاروباری امور میں پیش رفت ہر صنعت کا خاصہ ہے تا کہ آج کی مارکیٹ میں وہ مقابلہ جاری رکھ سکے۔ کمپنی مسلسل کاروباری عمل میں ری انجینئرنگ سرگرمیوں میں منسلک ہے تا کہ کمپنی اپنی سرگرمیوں کو بہتر کر سکے اور فعالی، تکنیکی اور انجینئرنگ امور میں تکنیکی جدت سے فائدہ اٹھا سکے۔ ایسے اقدامات پر کام جاری ہے جس سے کارکردگی اور کام کی مدت میں بہتری لائی جا سکے اور خام مال کی فہرست اور ضیاع کو کم کیا جا سکے۔ کمپنی بنیادی میٹرکس کی نگرانی اور مناسب نمائش کی یقینی بنانے کی غرض سے انتظامات میں بہترین لانے کے لئے مسلسل محنت کر رہی ہے اور اپنے ERP سسٹم کے ذریعے رپورٹنگ پر انتہائی توجہ دے رہی ہے۔

عملیاتی بہتری پروگرام کے جزو کے طور پر متعدد اقدامات زیر غور ہیں۔ اس میں بروقت نگرانی، جائزہ/معائنہ اور اصلاحی اقدامات شامل ہیں۔ معیار کی ضمانت کے طور پر طریقہ ہائے کار کو کنٹرول کرنے کے لئے اقدامات صارفین کی جانب ہمارے معیار کے دعوے کو عملی جامہ پہنانے کے لئے مرتب کئے گئے ہیں۔ اور مؤثر منصوبہ بندی کی سرگرمیوں [illegible] اعتبار کے ساتھ منصوبوں پر توجہ کامیاب ثابت ہو رہی ہے۔ بروقت حوالگی [illegible] کے ذریعے ہمارے سسٹم میں شفافیت موجود ہے جس کا انوینٹری اور خدمات [illegible] مثبت اثر ہے۔ فیکٹری کی کارکردگی کے تمام پہلوؤں میں بینچ مارکنگ میں مسلسل [illegible] ہوئے برتری کو اعلیٰ سطح پر لانے کی مسلسل کوشش جاری ہے۔

کمپنی نے زیادہ منافع بخش شعبوں میں سرمایہ داری میں صلاحیت پیدا کرکے [illegible] حاصل کرنے کے لئے رفتار پکڑ لی ہے۔ مصنوعات کی فہرست میں ایک نئی [illegible] کنڈکٹر کا اضافہ کیا گیا ہے جسے آئندہ ترسیلی اور تقسیمی کنڈکٹر بنانے کا ہدف ہے جس سے توانائی کے ضیاع میں کمی، کم جھکاؤ اور بجلی کی زیادہ صلاحیت کے فوائد حاصل ہوں گے۔

مزید برآں کمپنی لین سکس سگما کلچر متعارف کرا رہی ہے تا کہ مسلسل بہتری، صلاحیت میں اضافہ اور عملی کاموں میں مسلسل معیار کو یقینی بنایا جا سکے۔ لین سکس سگما کے [illegible] انجینئرنگ ملازمین کی گرومنگ کرکے انہیں بہترین ماہر بنایا جاتا ہے تا کہ کمپنی [illegible] عملی منصوبوں پر کام کرکے عالمی معیار کی صنعت بننے کے لئے آسانی پیدا ہو سکے۔

کاروباری کارکردگی

کمپنی نے گذشتہ سال کی 8.1 بلین روپے فروخت کے مقابلہ میں 18 فی صد کی شرح سے رواں سال 9.6 بلین روپے کی فروخت کا ہدف حاصل کیا ہے۔ کمپنی کی تاریخ میں یہ سب سے زیادہ فروخت ہے۔ مستحکم سیلز کارکردگی وائر اور کیبل کاروبار کے تمام شعبوں میں [illegible]

گذشتہ سال کے 1,267.5 ملین روپے (سیلز کا 15.7 فی صد) مجموعی نفع کے مقابلہ میں رواں سال 1,137.1 ملین روپے (سیلز کا 11.9 فی صد) کا مجموعی منافع حاصل کیا گیا۔ مجموعی منافع میں کمی ڈالر کے مقابلہ میں روپے کی قدر میں کمی کی وجہ سے ہوا جس کی وجہ سے ہماری ان پٹ لاگت میں اضافہ ہوا اور کاپر کی قیمتوں میں اضافہ ہو گیا۔ جنہیں صارفین [illegible] نہ کیا گیا تھا۔

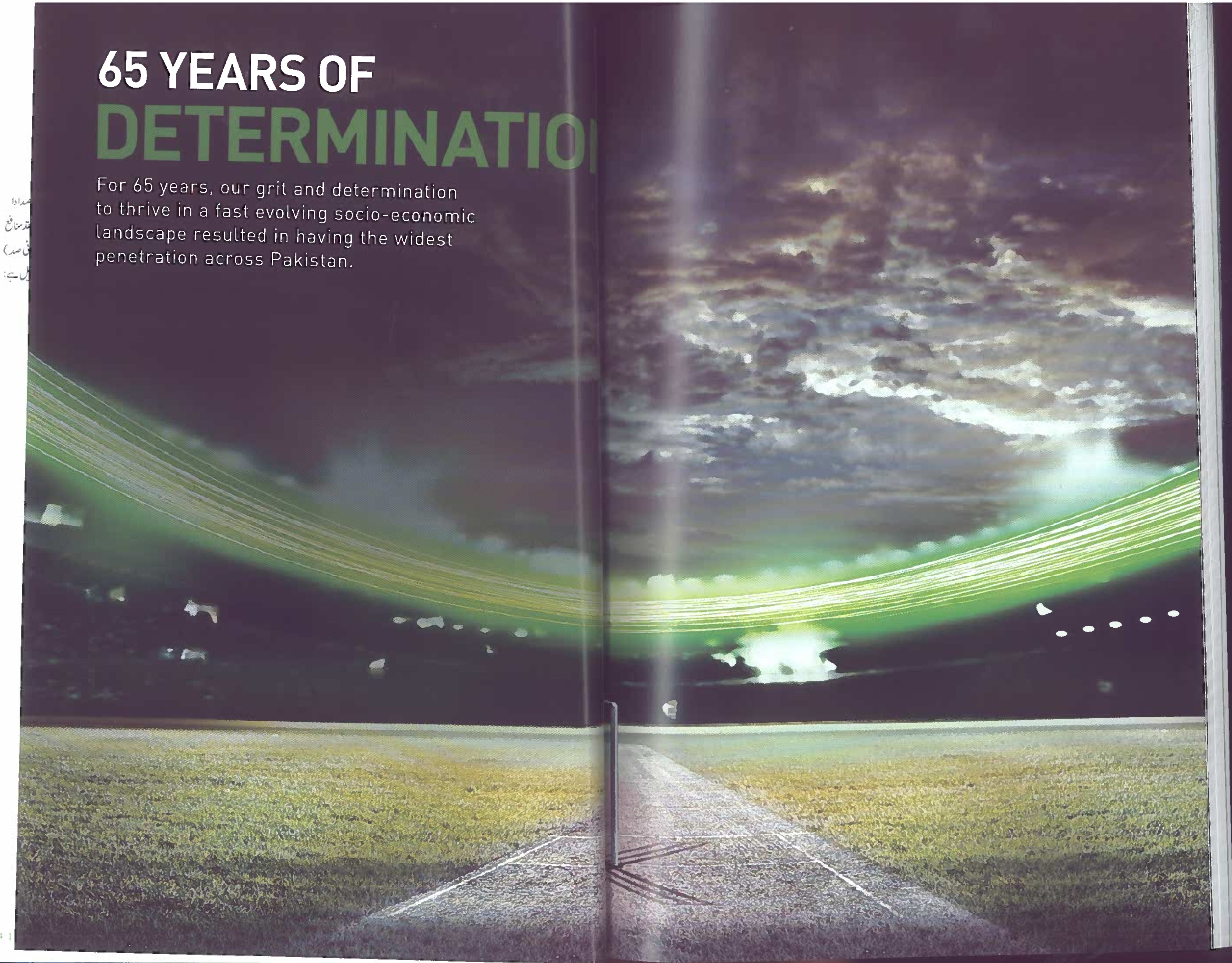
[illegible] سال کی اس مدت کے دوران 406.0 ملین روپے کے مارکیٹنگ، سیلنگ اور ڈسٹری[illegible] کے مقابلہ میں رواں سال یہی اخراجات 438.3 ملین روپے رہے۔ گذشتہ [illegible] کے دوران 65.6 ملین روپے کے مقابلہ میں رواں سال 133.6 ملین [illegible] پر لاگت درج کی گئی۔ زیادہ سرمایہ کی طلب کی وجہ سے قرضوں میں اضافہ درج [illegible]

[illegible] کے نتیجہ میں، آپ کی کمپنی نے گذشتہ سال میں 478.5 ملین روپے کے [illegible] 305.3 ملین روپے نفع علاوہ ٹیکس حاصل کیا۔

منافع منقسمہ اور تخصیص

حالیہ برس کے لئے ڈائریکٹرز نے 2.50 فی حصص عبوری نقد منافع منقسمہ (25 فی صد ادا شدہ) کے ساتھ (2017: پہلا عبوری نقد منافع منقسمہ 15 فی صد اور دوسرا عبوری نقد منافع منقسمہ 70 فی صد) حتمی نقد منافع منقسمہ (2017: 20 فی صد) کے طور پر (35 فی صد) فی حصص کی شرح سے 3.50 روپے ادائیگی کی تجویز دی ہے۔ منافع کی تقسیم حسب ذیل ہے:

	2017-18 روپے '000
[illegible] منافع علاوہ ٹیکس	305,343
[illegible] آمدنی/(خسارہ)	(30,618)
[illegible] منافع	274,725
[illegible] کا غیر تخصیص شدہ منافع (آگے لایا گیا)	270,023
[illegible] کے دوبارہ تعین پر سرپلس سے منتقل	10,669
	555,417
[illegible]	
2017 [illegible] کو اختتام پذیر سال کے لئے 2.00 روپے فی حصص (20 فی صد) کی شرح سے حتمی [illegible] منافع منقسمہ کی ادائیگی	56,925
2017 [illegible] کو اختتام پذیر نصف سال کے لئے 2.50 روپے فی حصص (25 فی صد) کی شرح [illegible] عبوری نقد منافع منقسمہ کی ادائیگی	71,156
2017 [illegible] کو اختتام پذیر سال کے لئے عمومی ذخائر کو منتقلی	212,000
[illegible] شدہ منافع (آگے منتقلی کے لئے)	215,336
	555,417
[illegible] آمدنی	10.32 روپے
[illegible] اثرات	
2018 [illegible] کے لئے مجوزہ حتمی نقد منافع منقسمہ 3.50 روپے فی حصص	124,523
[illegible] ذخائر کو منتقلی	89,000



65 YEARS OF DETERMINATION

For 65 years, our grit and determination to thrive in a fast evolving socio-economic landscape resulted in having the widest penetration across Pakistan.

Review Report on the Statement of Complia[...] Contained in the Listed Companies (Code [...] Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Govern[...] Regulations, 2017 (the "**Regulations**") prepared by the Board of Directors of Pakistan Cables Limited (the "Comp[...] the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our res[...] is to review whether the Statement of Compliance reflects the status of the Company's compliance with the pro[...] the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regu[...] review is limited primarily to inquiries of the Company's personnel and review of various documents prepared b[...] Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and [...] control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consi[...] whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion [...] effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Board Audit Committee, and upon recommendation of [...] Audit Committee, place before the Board of Directors for their review and approval, its related party transactions [...] ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and ha[...] ensured compliance of this requirement to the extent of the approval of the related party transactions by the Boa[...] Directors upon recommendation of the Board Audit Committee. We have not carried out procedures to assess and [...] determine the Company's process for identification of related parties and that whether the related party transac[...] undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Complia[...] not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in [...] Regulations as applicable to the Company for the year ended June 30, 2018.

KPMG Taseer H[...]
Chartered Acco[...]

Place: Karachi
Date: August 17, 2018

[...]tatement Of Compliance with the [...]isted Companies (Code of Corporate [...]overnance) Regulations, 2017

[...] of company : Pakistan Cables Limited (the "**Company**")
[...] year ended : June 30, 2018

[...] Company has complied with the requirements of the Regulations in the following manner:

[...] number of Directors are 9 as per the following:

- Male: 8
- Female: 1

[...] composition of the Board of Directors is as follows:

Category	Names
[...]pendent Directors	1) Ms. Sadia Khan
[...]Executive Directors	1) Mr. Mustapha A. Chinoy (Chairman)
	2) Mr. Haroun Rashid
	3) Mr. Roderick Macdonald
	4) Mr. Saquib H. Shirazi
	5) Mr. Shoaib Mir
[...]utive Directors	1) Mr. Kamal A. Chinoy (CE)
	2) Mr. Fahd Kamal Chinoy
	3) Mr. M. Ashfaq Alam

[...] Board of Directors have confirmed that none of them is serving as a director on more than five listed companies, [...]ding the Company (excluding the listed subsidiaries of listed holding companies where applicable).

[...] Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to [...]seminate it throughout the Company along with its supporting policies and procedures.

[...] Board of Directors has developed a vision/mission statement, overall corporate strategy and significant [...]icies of the Company. A complete record of particulars of significant policies along with the dates on which [...] were approved or amended has been maintained.

[...] the powers of the Board of Directors have been duly exercised and decisions on relevant matters have been taken by [...] Board of Directors/ shareholders as empowered by the relevant provisions of the Companies Act 2017 (the "**Act**") and [...] Regulations.

[...] meetings of the Board of Directors were presided over by the Chairman. The Board of Directors has [...]plied with the requirements of Act and the Regulations with respect to frequency, recording and circulating [...]utes of meeting of Board Meetings.

[...] Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with [...] Act and these Regulations.

9. The Board of Directors has arranged Directors' Training program for the following in the year 2017-2018:

- Mr. Fahd Kamal Chinoy – Executive Director

The Board of Directors of the Company consists of 9 Directors out of which the following four Directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("**SECP**"):

i. Ms. Sadia Khan – Independent Director
ii. Mr. Shoaib Mir - Non-Executive Director
iii. Mr. Kamal A. Chinoy – Chief Executive
iv. Mr. Fahd Kamal Chinoy – Executive Director

The remaining five Directors have undertaken to either apply to SECP for an exemption or be certified prior to the expiration of the requisite deadline.

10. The Board of Directors have approved the appointment of the Chief Financial Officer, the Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment which comply with relevant requirements of the Regulations.

11. The Chief Financial and the Chief Executive Officer duly endorsed the financial statements before approval of the Board of Directors.

12. The Board of Directors have formed committees comprising of the members given below:

a) Board Audit Committee:

Ms. Sadia Khan (Chairperson)
Mr. Haroun Rashid (Member)
Mr. Roderick Macdonald (Member)

b) Human Resource and Remuneration Committee:

Ms. Sadia Khan (Chairperson)
Mr. Roderick Macdonald (Member)
Mr. Mustapha A. Chinoy (Member)
Mr. Saquib H. Shirazi (Member)
Mr. Kamal A. Chinoy (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the relevant committee for compliance.

14. The frequency of meetings of the committees were as per the following:

a) Board Audit Committee: Quarterly
b) Human Resource and Remuneration Committee: Half yearly

15. The Board of Directors have set up an effective internal audit function.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

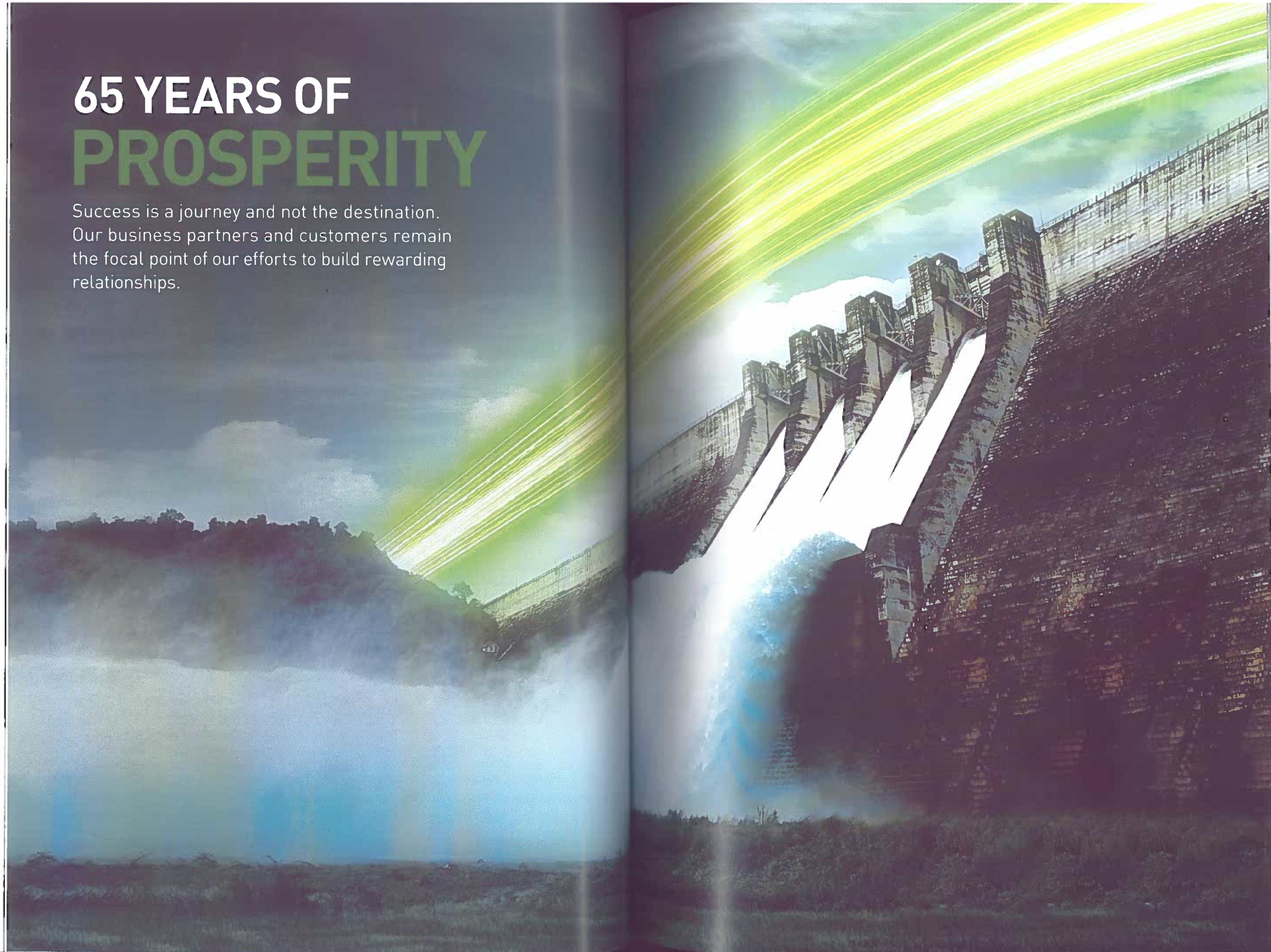
18. The Company has continued to present the details of all related party transactions before the Board Audit Committee and upon their recommendation to the Board of Directors for review and approval. The definition of related party used is in accordance with repealed Companies Ordinance,1984 and applicable financial reporting frame work as the regulations under Section 208 of the Companies Act, 2017 have not yet been announced.

19. We confirm that all other requirements of the Regulations have been complied with.

MUSTAPHA A. CHINOY
Chairman

65 YEARS OF PROSPERITY

Success is a journey and not the destination. Our business partners and customers remain the focal point of our efforts to build rewarding relationships.



Critical Performance Measures

Sales

Rs. 9,561 Million

The Company has achieved highest ever sales during the year, an increase of 18.28% from last year.

Capital Expenditure

Rs. 234 Million

Incurred for capacity expansion & BMR of existing facilities.

Profit Before Tax

Rs. 344 Million

Devaluation of rupee against dollar, combined with increase in copper prices increased cost of our inputs and reduced the PBT.

Wealth Distributed

Rs. 3.2 Billion

Among employees, Government, providers of capital and retention for future growth, up 1.4% from last year.

Profit After Tax

Rs. 305 Million

Increased cost of raw material coupled with devaluation in exchange rate parity, all of which could not be passed on to the customers. PAT also reduced due to non-recurring incomes in last year.

Return on Equity (weighted average)

9.24%

Reduction in PAT reduced Return on Equity.

Breakup Value Per Share

Rs. 132.0

Higher Breakup Value providing a stronger financial base for company's future growth.

Cash Dividend per Share

Rs. 6.0

The company has followed a consistent policy of high payout ratio.

Cash and Cash Equivalents at End of the Year

Rs. 80 Million

Realization of proceeds for right shares along with Long term loan during the year provided liquidity strength to the company.

Earnings Per Share

Rs. 10.32

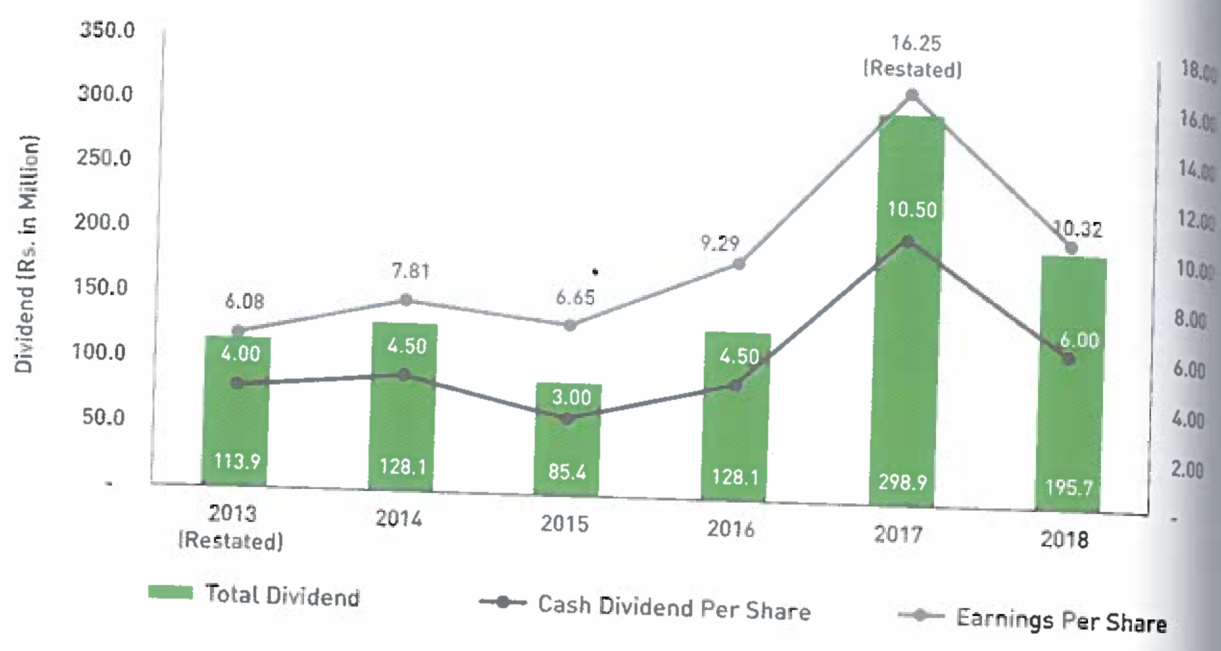
Increased input cost and some one-off incomes in last year brought EPS down this year.

Key Financial Data

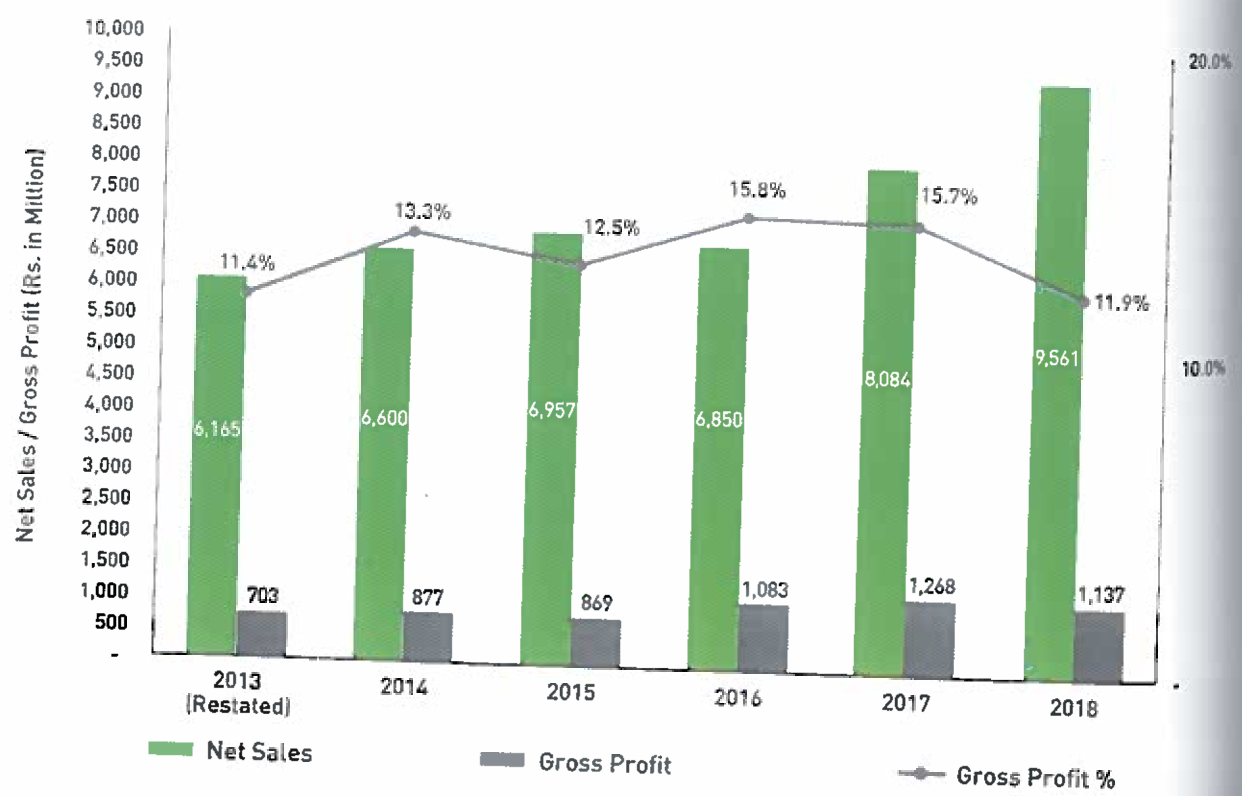
		2018	2017	2016	2015	2014	2013 (Restated)
Profitability Ratios							
Sales	Rs. in Mill.	9,561.0	8,083.5	6,849.6	6,956.7	6,599.5	6,164.6
Gross Profit	Rs. in Mill.	1,137.1	1,267.5	1,082.9	869.2	876.9	703.0
Profit After Tax	Rs. in Mill.	305.3	478.5	264.3	189.3	222.3	172.9
Dividend	Rs. in Mill.	195.7	298.9	128.1	85.4	128.1	113.9
Gross Profit Percentage	%	11.89	15.68	15.80	12.50	13.30	11.40
Net Profit to Sales	%	3.20	5.92	3.86	2.72	3.37	2.81
EBIT Margin	Rs. in Mill.	477.4	689.9	488.0	372.6	484.5	347.4
EBITDA Margin	Rs. in Mill.	691.7	887.5	654.5	515.1	615.7	473.5
EBITDA Margin to Sales	%	7.23	10.98	9.56	7.40	9.33	7.68
Return on Equity (weighted average)							
without revaluation reserve	%	13.87	23.82	14.20	11.10	13.50	11.20
with revaluation reserve	%	9.24	15.38	8.90	7.50	9.00	7.70
Return on Capital Employed	%	11.43	20.10	14.61	13.94	18.62	14.50
Liquidity Ratios							
Current Ratio		1.6:1	1.5:1	1.7:1	1.7:1	1.6:1	1.8:1
Quick / Acid Test Ratio		1:1	0.7:1	0.8:1	0.8:1	0.8:1	0.9:1
Cash to Current Liabilities	Times	0.19	0.02	0.03	0.01	0.02	0.01
Cash Flows from Operations to Sales	Times	(0.06)	0.01	0.07	0.07	(0.01)	0.02
Activity / Turnover Ratios							
Stock-in-Trade Turnover Ratio	Times	4.35	3.94	4.10	4.71	4.90	4.84
Number of Days in Stock-in-Trade	Days	84	93	89	78	74	75
Trade Debts Turnover Ratio	Times	6.81	8.11	8.11	8.17	8.09	8.98
Number of Days in Trade Debts	Days	54	45	45	45	45	41
Creditors Turnover Ratio	Times	32.46	19.44	23.65	30.17	34.82	32.82
Number of Days in Creditors	Days	11	19	15	12	10	11
Total Assets Turnover Ratio	Times	1.33	1.40	1.35	1.67	1.51	1.71
Fixed Assets Turnover Ratio	Times	4.36	3.72	3.26	4.36	4.22	4.40
Operating Cycle	Days	127	119	119	111	109	105
Investment / Market Ratios							
Earning Per Share - Basic & Diluted	Rupees	10.32	16.25	9.29	6.65	7.81	6.08
Price Earning Ratio	Times	18.11	19.69	18.36	25.03	12.78	10.67
Dividend Yield Ratio	%	3.21	3.28	2.64	1.80	4.51	6.17
Dividend Payout Ratio	%	64.08	62.46	48.46	45.11	57.61	65.84
Dividend Cover Ratio	Times	1.56	1.60	2.06	2.22	1.74	1.52
Cash Dividend Per Share	Rupees	6.00	10.50	4.50	3.00	4.50	4.00
Market Value Per Share							
year end	Rupees	186.95	320.00	170.50	166.50	99.80	64.80
High during the year	Rupees	352.88	376.91	222.20	204.26	107.36	82.00
Low during the year	Rupees	186.95	162.82	127.57	87.02	60.00	38.69
Break-up value Per Share							
without revaluation reserve	Rupees	93.23	70.56	65.59	59.74	57.92	54.44
with revaluation reserve	Rupees	132.03	109.32	104.73	88.65	86.51	78.64
Capital Structure Ratios							
Financial Leverage Ratio		48:52	46:54	41:59	39:61	44:56	38:62
Weighted Average Cost to Debt	%	6.58	5.27	6.36	8.37	10.37	10.39
Debt to Equity Ratio		10:90	9:91	11:89	06:94	05:95	06:94
Interest Cover Ratio	Times	3.57	10.51	6.04	3.05	5.21	3.97

Financial Snapshot

Dividend vs Earnings Per Share



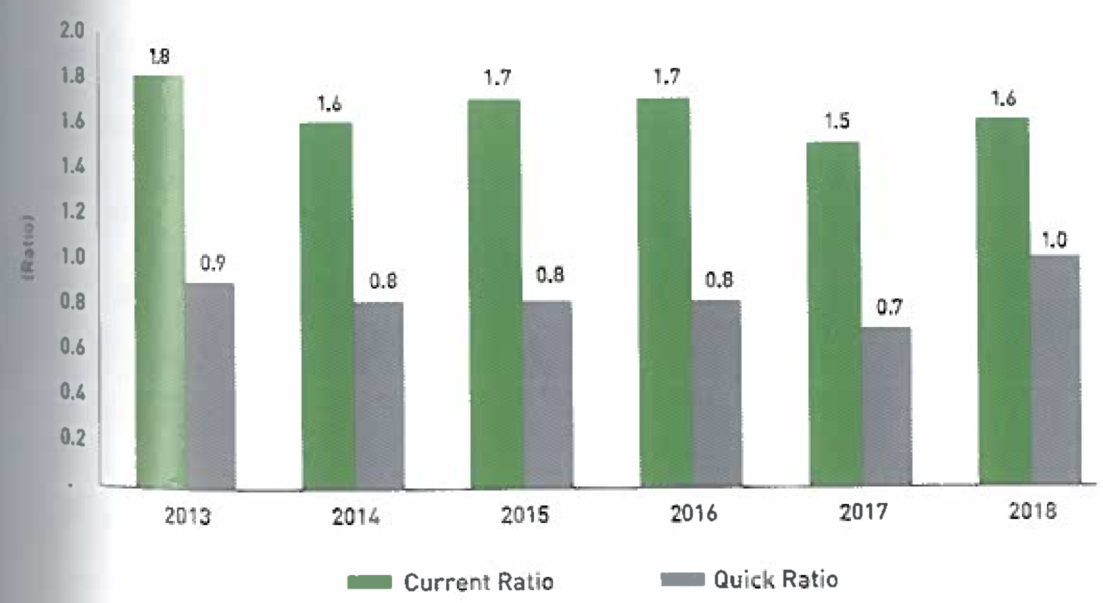
Net Sales and Gross Profit



Financial Snapshot

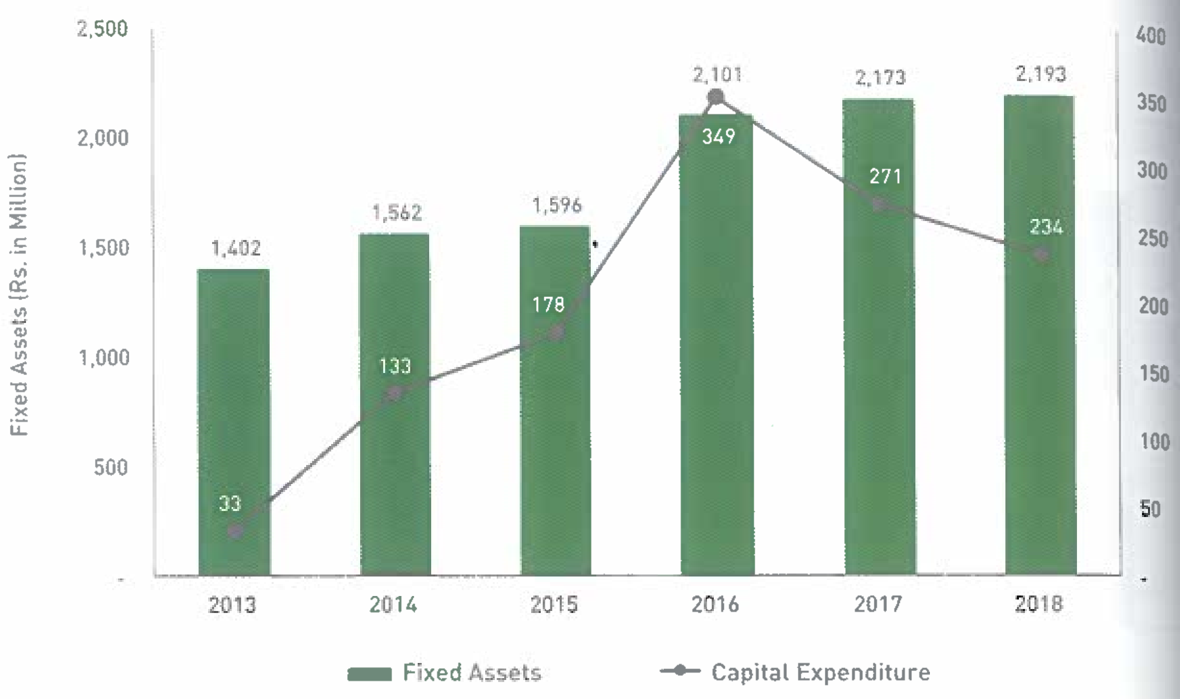
Cash Operating Cycle

Liquidity

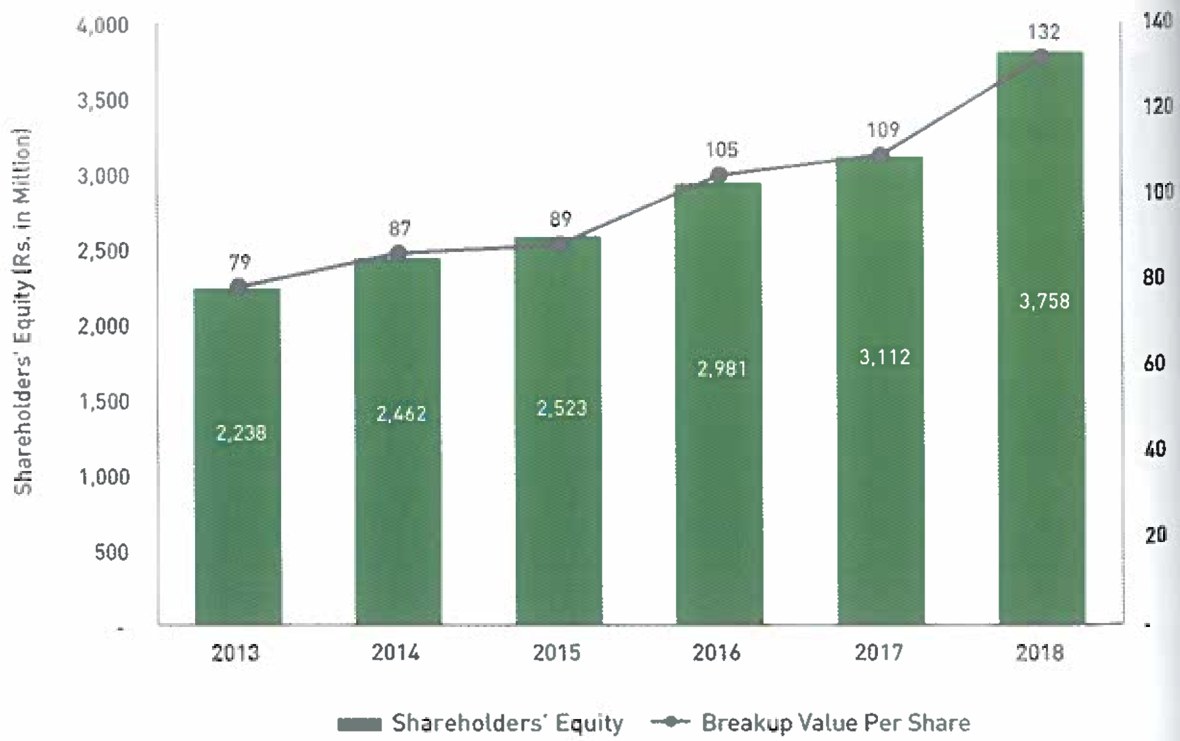


Financial Snapshot

Fixed Assets and Capital Expenditure

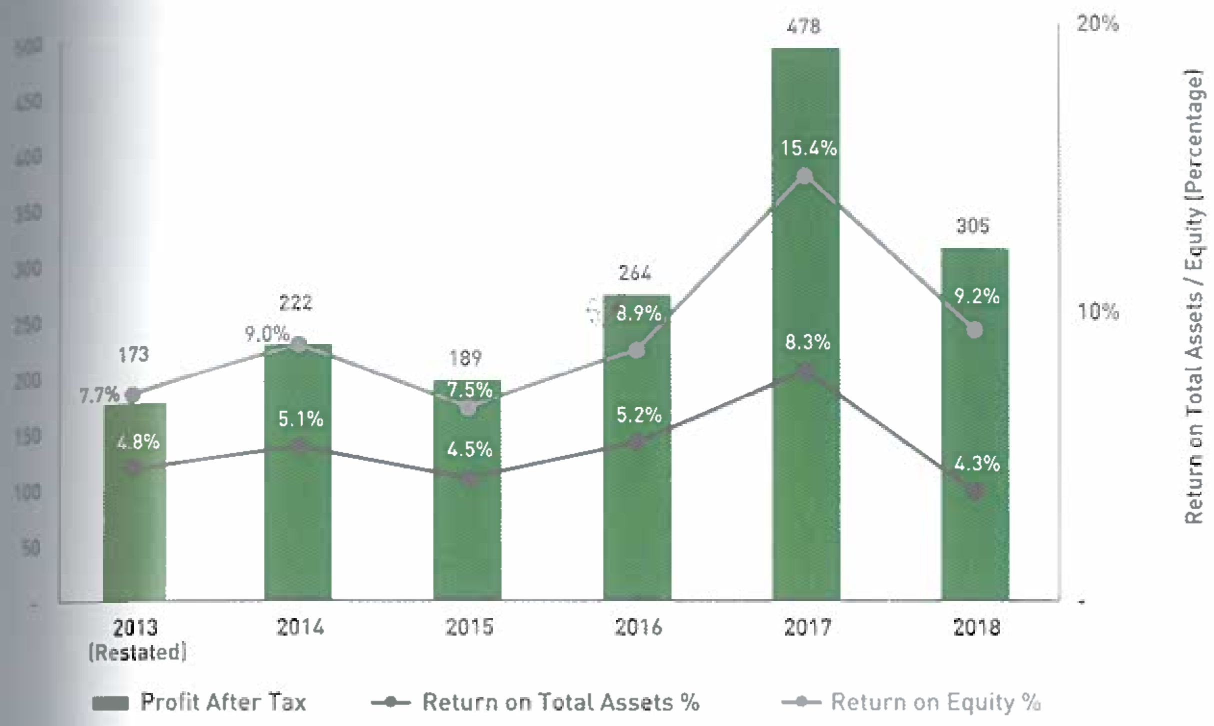


Shareholders' Equity

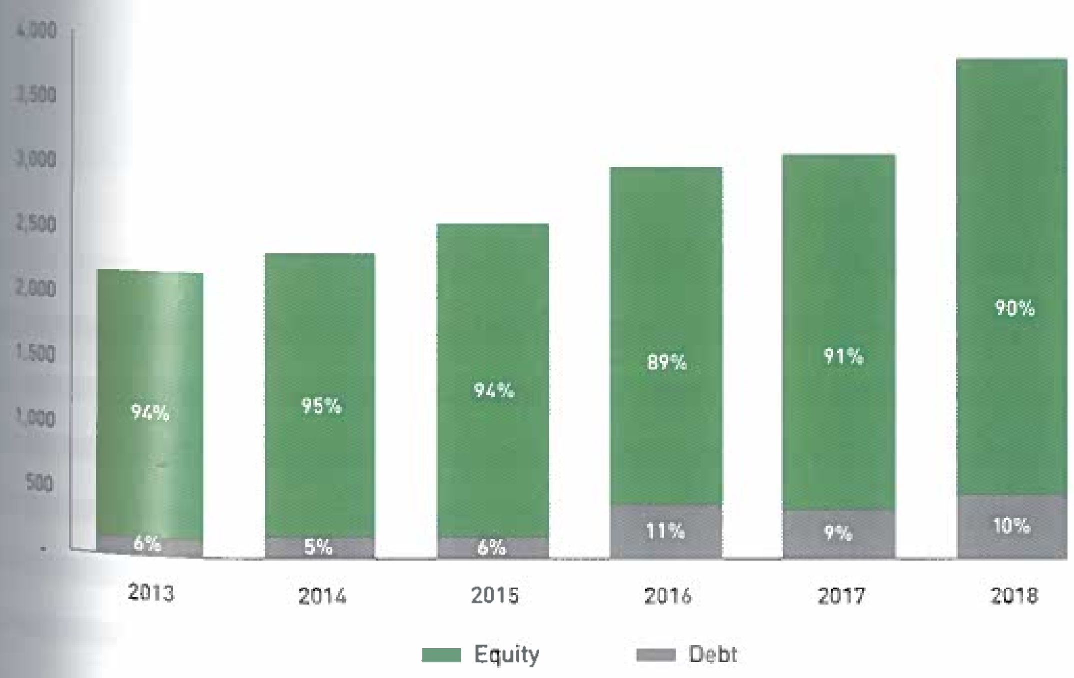


Financial Snapshot

Profitability



Debt to Equity

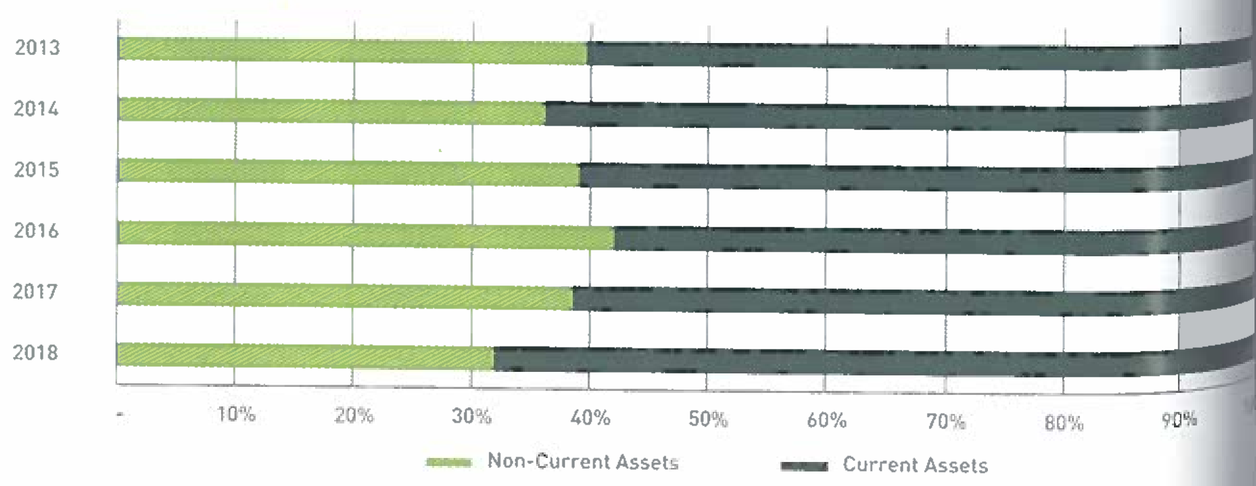


Analysis of Financial Statements

Horizontal Analysis - Statement of Financial Position

	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age	2014 Rs. in M	2014 vs 2013 %age
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	2,186	0.92	2,166	3.64	2,090	31.41	1,590	1.81	1,562	11.45
Intangible assets	7	(2.31)	7	(37.26)	11	108.32	5	100.00	-	-
Investment in an associated company	97	26.46	77	83.98	42	55.33	27	35.33	20	0.27
Long-term loans receivable	6	140.38	2	(17.45)	3	72.43	2	(41.29)	3	(21.17)
Long-term prepayments	-	-	-	(100.00)	3	(80.00)	16	130.39	7	112.93
Total non current assets	2,296	1.93	2,252	4.80	2,149	31.04	1,640	3.04	1,592	11.44
CURRENT ASSETS										
Stores and spares	64	4.60	61	20.94	51	12.66	45	(13.75)	52	53.51
Stock-in-trade	1,955	2.08	1,915	23.76	1,547	22.56	1,262	(4.67)	1,324	30.99
Trade debts	1,972	49.49	1,319	29.30	1,020	6.21	960	(6.61)	1,028	17.08
Short-term loans and advances	67	238.49	20	17.91	17	(14.32)	19	(37.83)	31	75.83
Short-term deposits and prepayments	50	31.00	38	(24.16)	51	65.42	31	42.30	21	213.09
Other receivables	10	(68.87)	31	100.00	0.6	(62.44)	2	(94.10)	27	4.48
Advance tax - net of provisions	186	83.13	101	(45.48)	186	(5.33)	196	(23.64)	257	43.78
Cash and bank balances	573	991.80	52	(4.14)	55	421.02	11	(66.19)	31	173.31
Total current assets	4,875	37.82	3,538	20.88	2,927	15.84	2,527	(8.88)	2,773	28.14
TOTAL ASSETS	7,171	23.86	5,790	14.07	5,076	21.82	4,166	(4.53)	4,364	21.50
EQUITY AND LIABILITIES										
SHARE CAPITAL AND RESERVES										
Authorized capital 50,000,000 (2017 : 30,000,000) ordinary shares of Rs. 10 each	500	66.67	300	-	300	-	300	-	300	-
Share capital	285	-	285	-	285	-	285	-	285	-
Advance against share capital	488	100.00	-	-	-	-	-	-	-	-
Capital reserves										
Share premium reserve	528	-	528	-	528	-	528	-	528	-
Surplus on revaluation of assets (land and building) - net of tax	1,104	0.11	1,103	(0.99)	1,114	35.39	823	1.15	814	18.12
Revenue reserves										
General reserves	1,138	22.89	926	15.46	802	13.28	708	13.64	623	12.15
Un-appropriated profit	215	(20.25)	270	7.01	252	40.28	180	(15.65)	213	17.37
Total shareholders' equity	3,758	20.78	3,112	4.38	2,981	18.14	2,523	2.48	2,462	10.00
LIABILITIES										
NON-CURRENT LIABILITIES										
Long-term loans	289	46.06	198	(12.91)	228	355.00	50	100.00	-	-
Deferred liability for staff gratuity	33	12.15	29	(1.27)	30	18.90	25	(1.51)	25	(6.16)
Other long-term employee benefits	35	(0.59)	35	14.82	31	26.49	24	22.29	20	25.81
Deferred tax liability - net	63	6.95	58	(19.41)	73	45.03	50	(45.94)	93	(12.52)
Total non current liabilities	420	30.73	321	(10.90)	360	141.57	149	8.37	138	(7.29)
CURRENT LIABILITIES										
Current portion of long-term loans	69	6.80	64	415.00	13	100.00	-	-	-	(100.00)
Trade and other payables	1,096	(16.74)	1,316	5.39	1,249	54.18	810	(3.93)	843	37.94
Loans from banking companies	1,779	92.97	922	103.55	453	(32.10)	667	(26.14)	903	56.86
Unclaimed dividend	24	(44.31)	43	224.14	13	14.74	11	13.19	10	19.32
Mark-up accrued on bank borrowings	26	118.44	12	75.76	7	24.13	5	(31.51)	8	20.30
Total current liabilities	2,993	26.99	2,357	35.91	1,734	16.08	1,494	(15.32)	1,764	46.39
TOTAL LIABILITIES	3,413	27.44	2,678	27.86	2,095	27.47	1,643	(13.61)	1,902	40.51
TOTAL EQUITY AND LIABILITIES	7,171	23.86	5,790	14.07	5,076	21.82	4,166	(4.53)	4,364	21.50

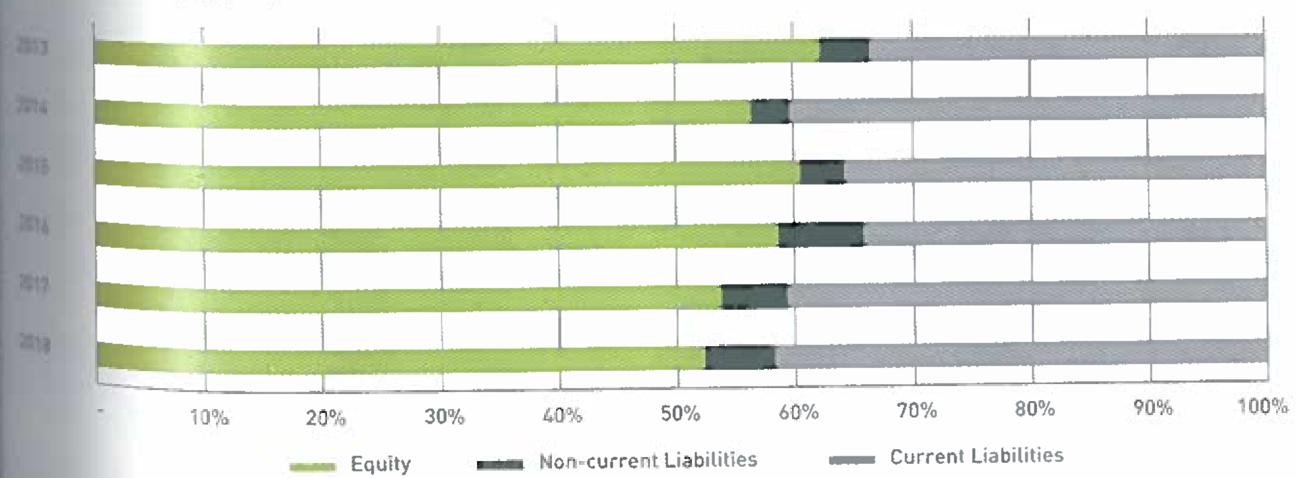
FINANCIAL POSITION ANALYSIS (ASSETS)



Vertical Analysis - Statement of Financial Position

	2018 Rs. in M	2018 %age	2017 Rs. in M	2017 %age	2016 Rs. in M	2016 %age	2015 Rs. in M	2015 %age	2014 Rs. in M	2014 %age	2013 Rs. in M	2013 %age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	2,186	30.48	2,166	37.41	2,090	41.18	1,590	38.17	1,562	35.79	1,402	39.02
Intangible assets	7	0.10	7	0.12	11	0.22	5	0.13	-	-	-	-
Investment in an associated company	97	1.35	77	1.32	42	0.82	27	0.64	20	0.45	20	0.55
Long-term loans receivable	6	0.08	2	0.04	3	0.06	2	0.04	3	0.07	4	0.10
Long-term prepayments	-	-	-	-	3	0.06	16	0.37	7	0.16	3	0.09
Total non current assets	2,296	32.01	2,252	38.90	2,149	42.34	1,640	39.36	1,592	36.47	1,428	39.76
CURRENT ASSETS												
Stores and spares	64	0.90	61	1.06	51	1.00	45	1.08	52	1.20	34	0.95
Stock-in-trade	1,955	27.26	1,915	33.07	1,547	30.48	1,262	30.30	1,324	30.34	1,011	28.15
Trade debts	1,972	27.50	1,319	22.78	1,020	20.10	960	23.05	1,028	23.56	878	24.45
Short-term loans and advances	67	0.93	20	0.34	17	0.33	19	0.47	31	0.72	18	0.50
Short-term deposits and prepayments	50	0.70	38	0.66	51	1.00	31	0.73	21	0.49	7	0.19
Other receivables	10	0.13	31	0.53	1	0.01	2	0.04	27	0.61	25	0.71
Advance tax - net of provisions	186	2.59	101	1.75	186	3.66	196	4.71	257	5.89	179	4.98
Cash and bank balances	573	7.99	52	0.91	55	1.08	11	0.25	31	0.71	11	0.32
Total current assets	4,875	67.99	3,538	61.10	2,927	57.66	2,527	60.64	2,773	63.53	2,164	60.24
TOTAL ASSETS	7,171	100.00	5,790	100.00	5,076	100.00	4,166	100.00	4,364	100.00	3,592	100.00
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Authorized capital 50,000,000 (2017 : 30,000,000) ordinary shares of Rs. 10 each	500		300		300		300		300		300	
Share capital	285	3.97	285	4.92	285	5.61	285	6.83	285	6.52	285	7.92
Advance against share capital	488	6.80	-	-	-	-	-	-	-	-	-	-
Capital reserves												
Share premium reserve	528	7.36	528	9.12	528	10.40	528	12.67	528	12.09	528	14.69
Surplus on revaluation of assets (land and building) - net of tax	1,104	15.40	1,103	19.05	1,114	21.95	823	19.75	814	18.64	689	19.17
Revenue reserves												
General reserves	1,138	15.87	926	15.99	802	15.80	708	16.99	623	14.28	556	15.46
Un-appropriated profit	215	3.00	270	4.66	252	4.97	180	4.32	213	4.89	182	5.06
Total shareholders' equity	3,758	52.41	3,112	53.74	2,981	58.73	2,523	60.56	2,462	56.42	2,238	62.31
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term loans	289	4.04	198	3.42	228	4.48	50	1.20	-	-	-	-
Deferred liability for staff gratuity	33	0.46	29	0.50	30	0.58	25	0.60	25	0.58	27	0.75
Other long-term employee benefits	35	0.49	35	0.61	31	0.61	24	0.58	20	0.45	16	0.44
Deferred tax liability - net	63	0.87	58	1.01	73	1.43	50	1.20	93	2.12	106	2.95
Total non current liabilities	420	5.85	321	5.54	360	7.10	149	3.58	138	3.15	148	4.13
CURRENT LIABILITIES												
Current portion of long-term loans	69	0.96	64	1.11	13	0.25	-	-	-	-	3	0.09
Trade and other payables	1,096	15.28	1,316	22.74	1,249	24.61	810	19.44	843	19.32	611	17.02
Loans from banking companies	1,779	24.81	922	15.92	453	8.92	667	16.01	903	20.70	576	16.03
Unclaimed dividend	24	0.33	43	0.74	13	0.26	11	0.28	10	0.23	8	0.24
Mark-up accrued on bank borrowings	26	0.36	12	0.20	7	0.13	5	0.13	8	0.18	7	0.18
Total current liabilities	2,993	41.74	2,357	40.71	1,734	34.17	1,494	35.86	1,764	40.43	1,205	33.55
TOTAL LIABILITIES	3,413	47.59	2,678	46.26	2,095	41.27	1,643	39.44	1,902	43.58	1,354	37.69
TOTAL EQUITY AND LIABILITIES	7,171	100.00	5,790	100.00	5,076	100.00	4,166	100.00	4,364	100.00	3,592	100.00

FINANCIAL POSITION ANALYSIS (EQUITY AND LIABILITIES)

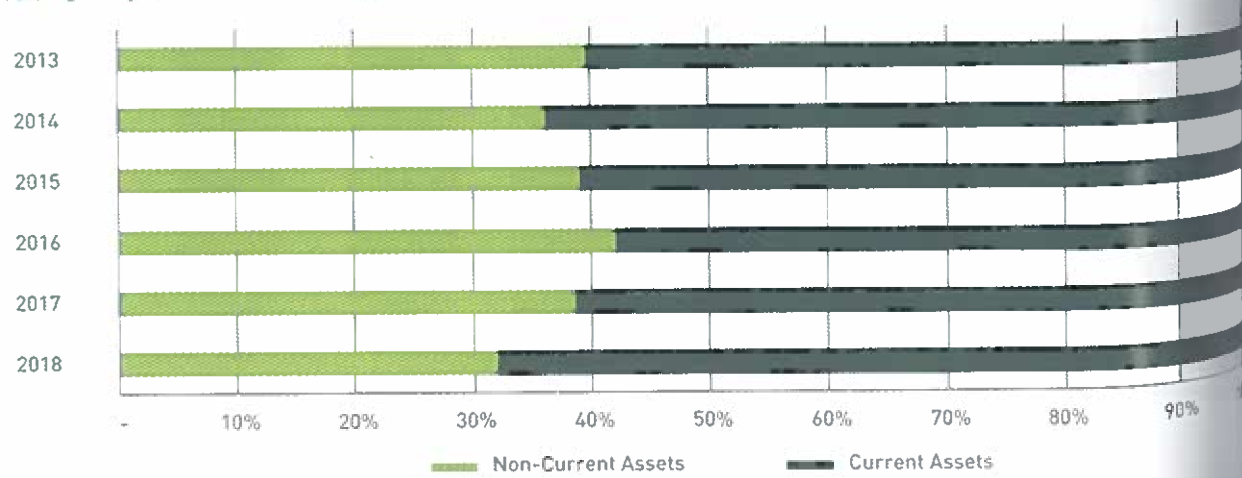


Analysis of Financial Statements

Horizontal Analysis - Statement of Financial Position

	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age	2014 Rs. in M	2014 vs 2013 %age
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	2,186	0.92	2,166	3.64	2,090	31.41	1,590	1.81	1,562	11.45
Intangible assets	7	(2.31)	7	(37.26)	11	108.32	5	100.00	-	-
Investment in an associated company	97	26.46	77	83.98	42	55.33	27	35.33	20	0.27
Long-term loans receivable	6	140.38	2	(17.45)	3	72.43	2	(41.29)	3	(21.17)
Long-term prepayments	-	-	-	(100.00)	3	(80.00)	16	130.39	7	112.91
Total non current assets	2,296	1.93	2,252	4.80	2,149	31.04	1,640	3.04	1,592	11.44
CURRENT ASSETS										
Stores and spares	64	4.60	61	20.94	51	12.66	45	(13.75)	52	53.51
Stock-in-trade	1,955	2.08	1,915	23.76	1,547	22.56	1,262	(4.67)	1,324	30.99
Trade debts	1,972	49.49	1,319	29.30	1,020	6.21	960	(6.61)	1,028	17.08
Short-term loans and advances	67	238.49	20	17.91	17	(14.32)	19	(37.83)	31	75.83
Short-term deposits and prepayments	50	31.00	38	(24.16)	51	65.42	31	42.30	21	213.09
Other receivables	10	(68.87)	31	100.00	0.6	(62.44)	2	(94.10)	27	4.48
Advance tax - net of provisions	186	83.13	101	(45.48)	186	(5.33)	196	(23.64)	257	43.78
Cash and bank balances	573	991.80	52	(4.14)	55	421.02	11	(66.19)	31	173.31
Total current assets	4,875	37.82	3,538	20.88	2,927	15.84	2,527	(8.88)	2,773	28.14
TOTAL ASSETS	7,171	23.86	5,790	14.07	5,076	21.82	4,166	(4.53)	4,364	21.50
EQUITY AND LIABILITIES										
SHARE CAPITAL AND RESERVES										
Authorized capital 50,000,000 (2017: 30,000,000) ordinary shares of Rs. 10 each	500	66.67	300	-	300	-	300	-	300	-
Share capital	285	-	285	-	285	-	285	-	285	-
Advance against share capital	488	100.00	-	-	-	-	-	-	-	-
Capital reserves										
Share premium reserve	528	-	528	-	528	-	528	-	528	-
Surplus on revaluation of assets (land and building) - net of tax	1,104	0.11	1,103	(0.99)	1,114	35.39	823	1.15	814	18.12
Revenue reserves										
General reserves	1,138	22.89	926	15.46	802	13.28	708	13.64	623	12.15
Un-appropriated profit	215	(20.25)	270	7.01	252	40.28	180	(15.65)	213	17.37
Total shareholders' equity	3,758	20.78	3,112	4.38	2,981	18.14	2,523	2.48	2,462	10.00
LIABILITIES										
NON-CURRENT LIABILITIES										
Long-term loans	289	46.06	198	(12.91)	228	355.00	50	100.00	-	-
Deferred liability for staff gratuity	33	12.15	29	(1.27)	30	18.90	25	(1.51)	25	(6.16)
Other long-term employee benefits	35	(0.59)	35	14.82	31	26.49	24	22.29	20	25.81
Deferred tax liability - net	63	6.95	58	(19.41)	73	45.03	50	(45.94)	93	(12.52)
Total non current liabilities	420	30.73	321	(10.90)	360	141.57	149	8.37	138	(7.29)
CURRENT LIABILITIES										
Current portion of long-term loans	69	6.80	64	415.00	13	100.00	-	-	-	(100.00)
Trade and other payables	1,096	(16.74)	1,316	5.39	1,249	54.18	810	(3.93)	843	37.94
Loans from banking companies	1,779	92.97	922	103.55	453	(32.10)	667	(26.14)	903	56.86
Unclaimed dividend	24	(44.31)	43	224.14	13	14.74	11	13.19	10	19.32
Mark-up accrued on bank borrowings	26	118.44	12	75.76	7	24.13	5	(31.51)	8	20.30
Total current liabilities	2,993	26.99	2,357	35.91	1,734	16.08	1,494	(15.32)	1,764	46.39
TOTAL LIABILITIES	3,413	27.44	2,678	27.86	2,095	27.47	1,643	(13.61)	1,902	40.51
TOTAL EQUITY AND LIABILITIES	7,171	23.86	5,790	14.07	5,076	21.82	4,166	(4.53)	4,364	21.50

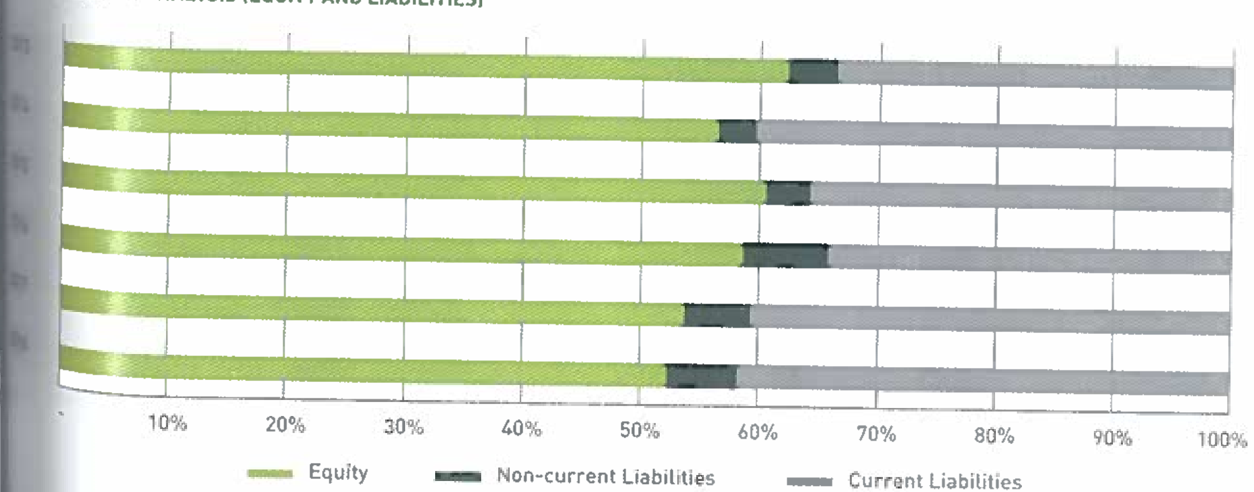
FINANCIAL POSITION ANALYSIS (ASSETS)



Vertical Analysis - Statement of Financial Position

	2018 Rs. in M	2018 %age	2017 Rs. in M	2017 %age	2016 Rs. in M	2016 %age	2015 Rs. in M	2015 %age	2014 Rs. in M	2014 %age	2013 Rs. in M	2013 %age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	2,186	30.48	2,166	37.41	2,090	41.18	1,590	38.17	1,562	35.79	1,402	39.02
Intangible assets	7	0.10	7	0.12	11	0.22	5	0.13	-	-	-	-
Investment in an associated company	97	1.35	77	1.32	42	0.82	27	0.64	20	0.45	20	0.55
Long-term loans receivable	6	0.08	2	0.04	3	0.06	2	0.04	3	0.07	4	0.10
Long-term prepayments	-	-	-	-	3	0.06	16	0.37	7	0.16	3	0.09
Total non current assets	2,296	32.01	2,252	38.90	2,149	42.34	1,640	39.36	1,592	36.47	1,428	39.76
CURRENT ASSETS												
Stores and spares	64	0.90	61	1.06	51	1.00	45	1.08	52	1.20	34	0.95
Stock-in-trade	1,955	27.26	1,915	33.07	1,547	30.48	1,262	30.30	1,324	30.34	1,011	28.15
Trade debts	1,972	27.50	1,319	22.78	1,020	20.10	960	23.05	1,028	23.56	878	24.45
Short-term loans and advances	67	0.93	20	0.34	17	0.33	19	0.47	31	0.72	18	0.50
Short-term deposits and prepayments	50	0.70	38	0.66	51	1.00	31	0.73	21	0.49	7	0.19
Other receivables	10	0.13	31	0.53	1	0.01	2	0.04	27	0.61	25	0.71
Advance tax - net of provisions	186	2.59	101	1.75	186	3.66	196	4.71	257	5.89	179	4.98
Cash and bank balances	573	7.99	52	[illegible]	55	1.08	11	0.25	31	0.71	11	0.32
Total current assets	4,875	67.99	3,538	61.10	2,927	57.66	2,527	60.64	2,773	63.53	2,164	60.24
TOTAL ASSETS	7,171	100.00	5,790	100.00	5,076	100.00	4,166	100.00	4,364	100.00	3,592	100.00
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Authorized capital 50,000,000 (2017: 30,000,000) ordinary shares of Rs. 10 each	500		300		300		300		300		300	
Share capital	285	3.97	285	4.92	285	5.61	285	6.83	285	6.52	285	7.92
Advance against share capital	488	6.80	-	-	-	-	-	-	-	-	-	-
Capital reserves												
Share premium reserve	528	7.36	528	9.12	528	10.40	528	12.67	528	12.09	528	14.69
Surplus on revaluation of assets (land and building) - net of tax	1,104	15.40	1,103	19.05	1,114	21.95	823	19.75	814	18.64	689	19.17
Revenue reserves												
General reserves	1,138	15.87	926	15.99	802	15.80	708	16.99	623	14.28	556	15.46
Un-appropriated profit	215	3.00	270	4.66	252	4.97	180	4.32	213	4.89	182	5.06
Total shareholders' equity	3,758	52.41	3,112	53.74	2,981	58.73	2,523	60.56	2,462	56.42	2,238	62.31
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term loans	289	4.04	198	3.42	228	4.48	50	1.20	-	-	-	-
Deferred liability for staff gratuity	33	0.46	29	0.50	30	0.58	25	0.60	25	0.58	27	0.75
Other long-term employee benefits	35	0.49	35	0.61	31	0.61	24	0.58	20	0.45	16	0.44
Deferred tax liability - net	63	0.87	58	1.01	73	1.43	50	1.20	93	2.12	106	2.95
Total non current liabilities	420	5.85	321	5.54	360	7.10	149	3.58	138	3.15	148	4.13
CURRENT LIABILITIES												
Current portion of long-term loans	69	0.96	64	1.11	13	0.25	-	-	-	-	3	0.09
Trade and other payables	1,096	15.28	1,316	22.74	1,249	24.61	810	19.44	843	19.32	611	17.02
Loans from banking companies	1,779	24.81	922	15.92	453	8.92	667	16.01	903	20.70	576	16.03
Unclaimed dividend	24	0.33	43	0.74	13	0.26	11	0.28	10	0.23	8	0.24
Mark-up accrued on bank borrowings	26	0.36	12	0.20	7	0.13	5	0.13	8	0.18	7	0.18
Total current liabilities	2,993	41.74	2,357	40.71	1,734	34.17	1,494	35.86	1,764	40.43	1,205	33.55
TOTAL LIABILITIES	3,413	47.59	2,678	46.26	2,095	41.27	1,643	39.44	1,902	43.58	1,354	37.69
TOTAL EQUITY AND LIABILITIES	7,171	100.00	5,790	100.00	5,076	100.00	4,166	100.00	4,364	100.00	3,592	100.00

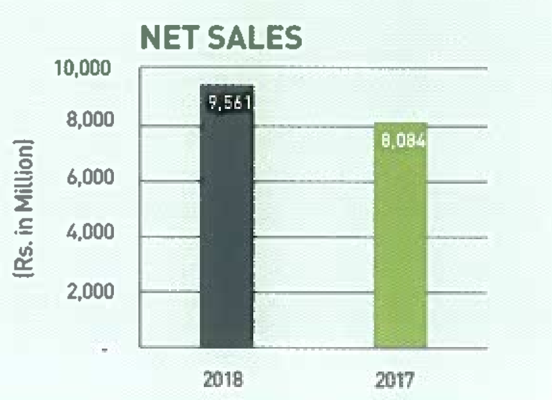
FINANCIAL POSITION ANALYSIS (EQUITY AND LIABILITIES)

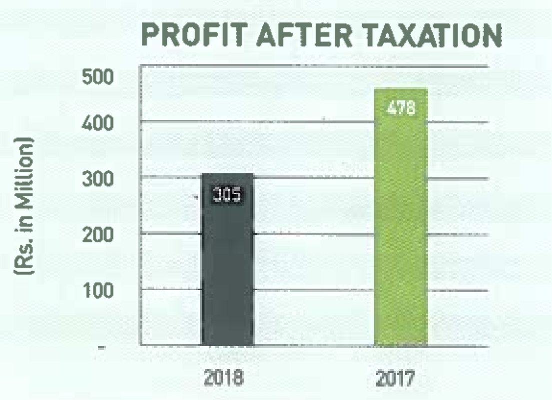


Analysis of Financial Statements

Horizontal Analysis - Statement of Profit and Loss Account

	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age	2014 Rs. in M	2014 vs 2013 %age
Net Sales	9,561	18.28	8,084	18.02	6,850	(1.54)	6,957	5.41	6,600	7.06
Cost of sales	(8,424)	23.59	(6,816)	18.20	(5,767)	(5.27)	(6,087)	6.38	(5,723)	4.78
Gross profit	**1,137**	**(10.29)**	**1,268**	**17.05**	**1,083**	**24.59**	**869**	**(0.88)**	**877**	**24.74**
Marketing, selling and distribution costs	(438)	7.94	(406)	0.08	(406)	36.83	(296)	40.71	(211)	(6.30)
Administrative expenses	(249)	8.16	(230)	16.97	(197)	1.91	(193)	16.45	(166)	32.85
	(687)	8.02	(636)	5.60	(602)	23.06	(490)	30.03	(376)	7.67
Finance costs	(134)	103.62	(66)	(18.84)	(81)	(33.86)	(122)	31.47	(93)	6.39
Other expenses	(29)	(39.74)	(49)	55.14	(31)	19.47	(26)	(21.18)	(33)	37.10
	(163)	42.52	(114)	1.86	(112)	(24.41)	(149)	17.56	(126)	13.08
Other income	41	(58.35)	98	259.86	27	77.44	15	2.14	15	(1.80)
Share of profit from associate	16	68.85	10	(19.44)	12	202.73	4	89.17	2	(33.00)
Profit before income tax	**344**	**(44.93)**	**624**	**53.31**	**407**	**62.66**	**250**	**(35.99)**	**391**	**50.46**
Taxation	(38)	(73.65)	(146)	2.02	(143)	134.14	(61)	(63.84)	(169)	93.97
Profit for the year	**305**	**(36.18)**	**478**	**81.04**	**264**	**39.61**	**189**	**(14.85)**	**222**	**28.56**

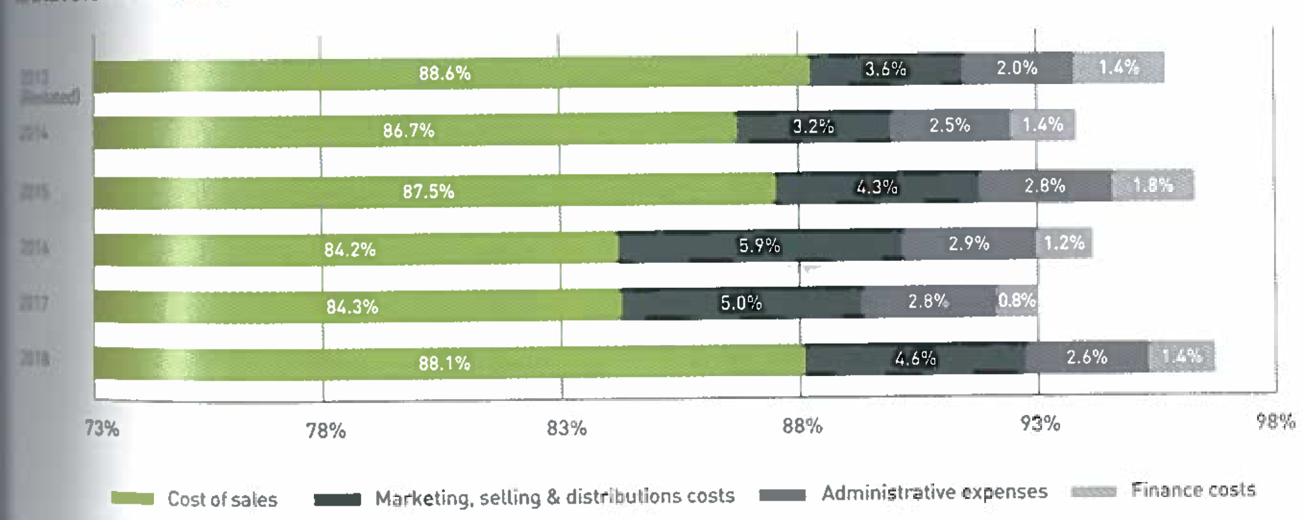




Vertical Analysis - Statement of Profit and Loss Account

	2018 Rs. in M	2018 %age	2017 Rs. in M	2017 %age	2016 Rs. in M	2016 %age	2015 Rs. in M	2015 %age	2014 Rs. in M	2014 %age	2013 (Restated) Rs. in M	2013 (Restated) %age
Net Sales	9,561	100.00	8,084	100.00	6,850	100.00	6,957	100.00	6,600	100.00	6,165	100.00
Cost of sales	(8,424)	(88.11)	(6,816)	(84.32)	(5,767)	(84.19)	(6,087)	(87.51)	(5,723)	(86.71)	(5,462)	(88.60)
Gross profit	**1,137**	**11.89**	**1,268**	**15.68**	**1,083**	**15.81**	**869**	**12.49**	**877**	**13.29**	**703**	**11.40**
Marketing, selling and distribution costs	(438)	(4.58)	(406)	(5.02)	(406)	(5.92)	(296)	(4.26)	(211)	(3.19)	(225)	(3.65)
Administrative expenses	(249)	(2.60)	(230)	(2.85)	(197)	(2.87)	(193)	(2.77)	(166)	(2.51)	(125)	(2.02)
	(687)	(7.19)	(636)	(7.87)	(602)	(8.80)	(490)	(7.04)	(376)	(5.70)	(350)	(5.67)
Finance costs	(134)	(1.40)	(66)	(0.81)	(81)	(1.18)	(122)	(1.76)	(93)	(1.41)	(87)	(1.42)
Other expenses	(29)	(0.31)	(49)	(0.60)	(31)	(0.46)	(26)	(0.38)	(33)	(0.51)	(24)	(0.39)
	(163)	(1.70)	(114)	(1.41)	(112)	(1.64)	(149)	(2.14)	(126)	(1.91)	(112)	(1.81)
Other income	41	0.43	98	1.21	27	0.40	15	0.22	15	0.23	15	0.25
Share of profit from associate	16	0.17	10	0.12	12	0.17	4	0.06	2	0.03	3	0.05
Profit before income tax	**344**	**3.60**	**624**	**7.72**	**407**	**5.94**	**250**	**3.60**	**391**	**5.93**	**260**	**4.22**
Taxation	(38)	(0.40)	(146)	(1.80)	(143)	(2.09)	(61)	(0.88)	(169)	(2.56)	(87)	(1.41)
Profit for the year	**305**	**3.19**	**478**	**5.92**	**264**	**3.86**	**189**	**2.72**	**222**	**3.37**	**173**	**2.81**

ANALYSIS OF EXPENSES



Analysis of Financial Statements

Horizontal Analysis - Cash Flow Statement

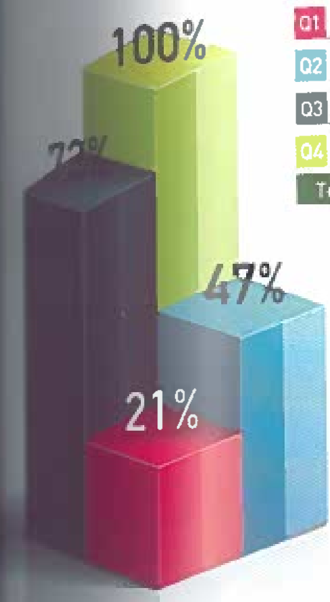
	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age	2015 Rs. in M	2015 vs 2014 %age	2014 Rs. in M	2014 vs 2013 %age
Net cash (used in) / generated from operating activities	(544)	(594.64)	110	(77.56)	490	5.42	465	(833.88)	(63)	(155.35)
Net cash flows from investing activities	(229)	(12.96)	(263)	(22.14)	(338)	95.73	(173)	33.95	(129)	428.80
Net cash inflows / (outflows) from financing activities	1,100	1,994.14	53	(126.10)	(201)	(42.32)	(349)	(233.48)	261	(408.28)
Net increase / (decrease) in cash & cash equivalents	**326**	**(423.66)**	**(101)**	**105.28**	**(49)**	**(13.02)**	**(56)**	**(181.94)**	**69**	**100.00**

Vertical Analysis - Cash Flow Statement

	2018 Rs. in M	2018 %age	2017 Rs. in M	2017 %age	2016 Rs. in M	2016 %age	2015 Rs. in M	2015 %age	2014 Rs. in M	2014 %age
Net cash (used in) / generated from operating activities	(544)	(166.77)	110	(109.12)	490	(998.38)	465	(823.78)	(63)	(91.98)
Net cash flows from investing activities	(229)	(70.25)	(263)	261.21	(338)	688.73	(173)	306.07	(129)	(187.22)
Net cash inflows / (outflows) from financing activities	1,100	337.02	53	(52.09)	(201)	409.65	(349)	617.71	261	379.20
Net increase / (decrease) in cash & cash equivalents	**326**	**100.00**	**(101)**	**100.00**	**(49)**	**100.00**	**(56)**	**100.00**	**69**	**100.00**

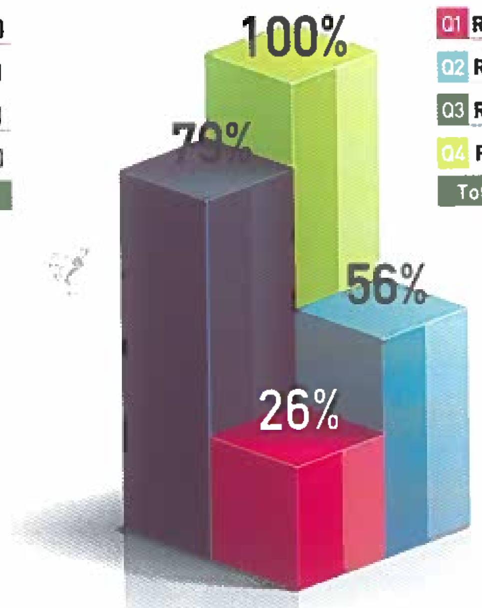
Quarterly Performance Analysis

Sales



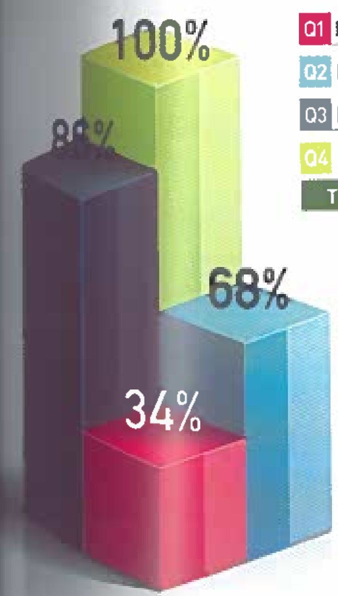
Q1 Rs. 1,997.023 Million (21%)
Q2 Rs. 2,462.142 Million (26%)
Q3 Rs. 2,370.165 Million (25%)
Q4 Rs. 2,731.624 Million (28%)
Total: Rs. 9,560.954 Million

Gross Profit



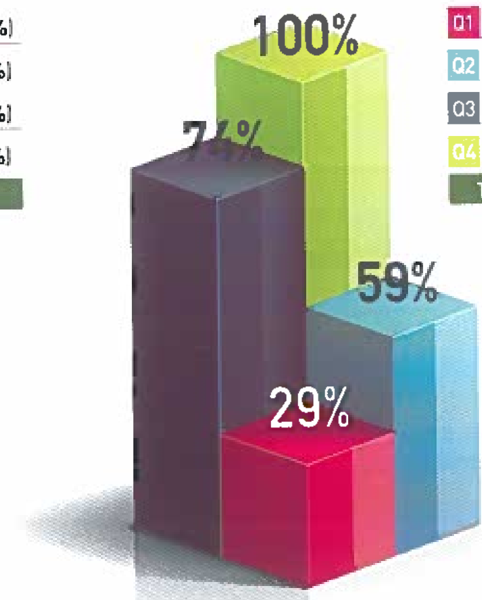
Q1 Rs. 292.937 Million (26%)
Q2 Rs. 340.576 Million (30%)
Q3 Rs. 268.006 Million (23%)
Q4 Rs. 235.600 Million (21%)
Total: Rs. 1,137.119 Million

Profit Before Taxation



Q1 Rs. 116.307 Million (34%)
Q2 Rs. 117.487 Million (34%)
Q3 Rs. 60.578 Million (18%)
Q4 Rs. 49.394 Million (14%)
Total: Rs. 343.766 Million

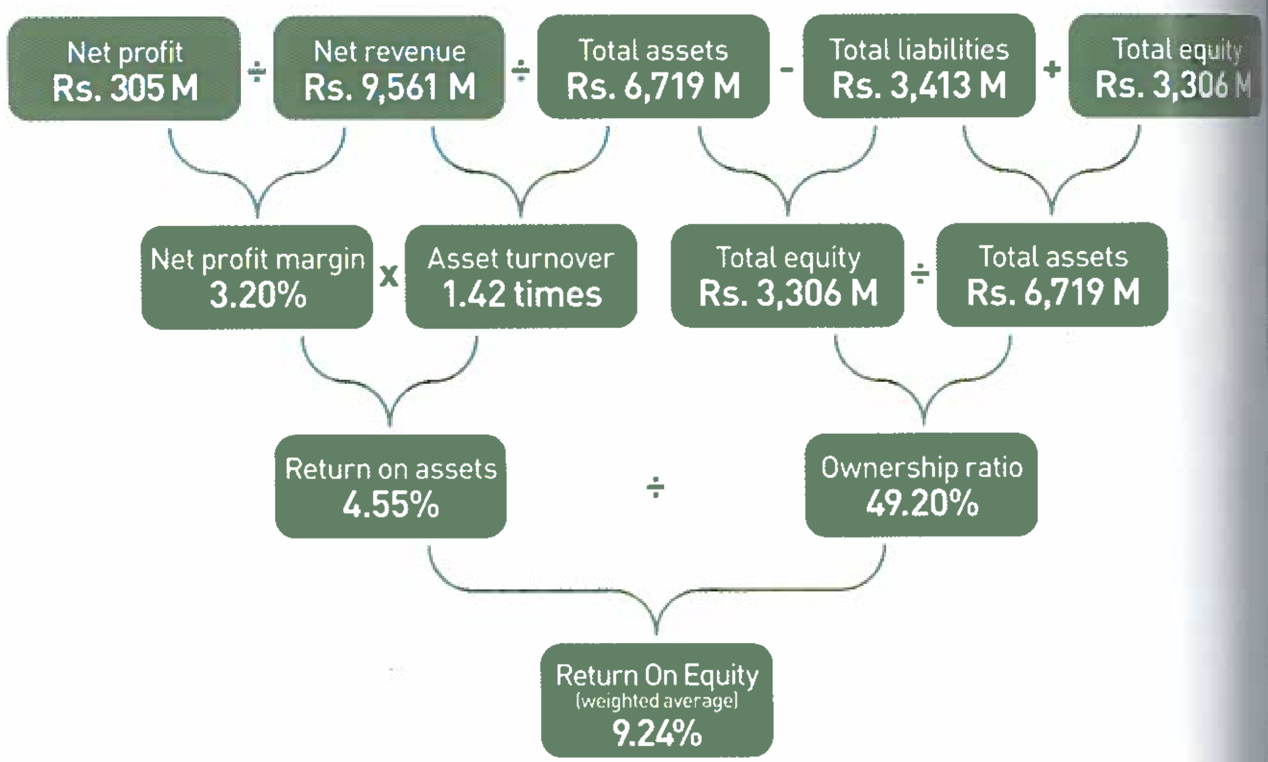
Profit After Taxation



Q1 Rs. 88.632 Million (29%)
Q2 Rs. 92.772 Million (30%)
Q3 Rs. 44.566 Million (15%)
Q4 Rs. 79.373 Million (26%)
Total: Rs. 305.343 Million

Dupont Analysis

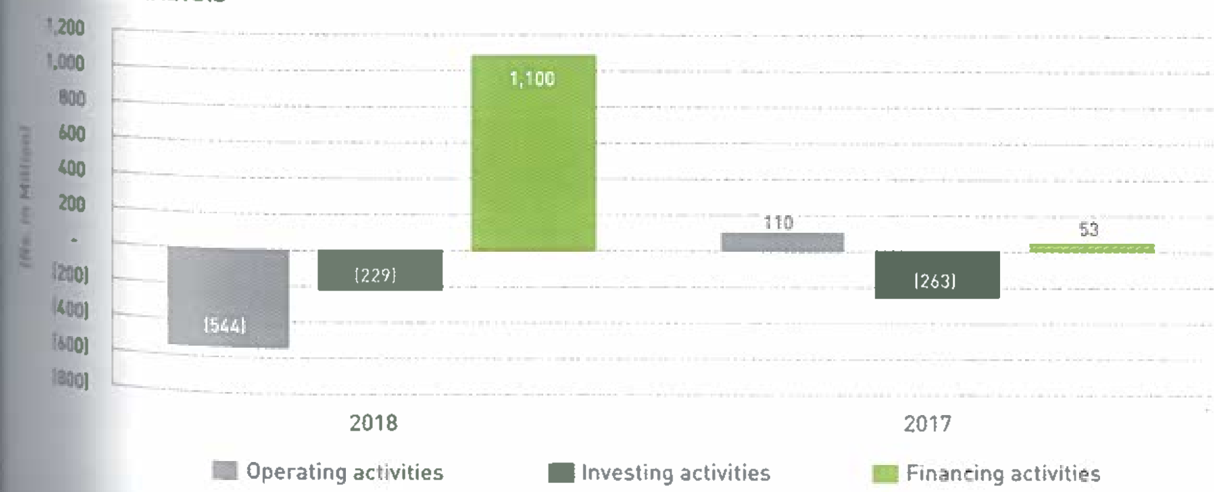
		2018	2017
Tax burden	%	88.82	76.4
Interest burden	%	72.01	90.4
EBIT margin	%	4.99	8.5
Asset turnover	Times	1.42	1.4
Leverage	%	190.82	186.0
Return on Equity (weighted average)	%	**9.24**	**15.3**



Direct Method Cash Flow Statement

	2018	2017
	(Rupees in Million)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers - net	8,933	7,830
Payments to suppliers/service providers/employees etc. - net	(9,258)	(7,536)
Payments to staff retirement benefits	(3)	(42)
Finance costs paid	(120)	(61)
Taxes paid - net	(93)	(85)
Long-term loans receivable	(3)	1
Long-term deposits and prepayments	-	3
Net cash flows from operating activities	**(544)**	**110**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(234)	(271)
Proceeds from disposal of fixed assets	3	4
Dividend received from an associate	2	3
Net cash flows from investing activities	**(229)**	**(263)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	160	35
Repayment of long-term loans	(64)	(13)
Net increase in short-term borrowings	663	370
Proceeds against subscription of right shares	488	-
Dividend paid	(147)	(340)
Net cash flows from financing activities	**1,100**	**53**
Net increase / (decrease) in cash and cash equivalents	326	(101)
Cash and cash equivalents at beginning of the year	(246)	(145)
Cash and cash equivalents at end of the year	**80**	**(246)**

CASH FLOW ANALYSIS



Share Price Sensitivity

In Pakistan's market, market forces are more likely to affect share prices compared to the fundamentals. However management understand that following points are perceived to have effects on share price of the Company.

Investment in Energy sector

Investment in Energy sector both by Government and private sector has direct impacts over the performance of Company growth and its share price. Pakistan being an energy deficient country is in dire need of improvement in energy sector and any positive step in this segment will have positive impacts on share price.

Energy Crisis

Un-interrupted energy supply is the key for any industrial undertaking and in case there is any interruption in supply, the Company has to switch to other means of energy. This also affect the overall production performance of the Company. During the year 2017-18, the supply condition remained challenging, especially during last quarter of the year.

Law and Order

Law and Order situation is another key variant in determining not only the performance of Company, but also overall economy of the country. Law and order situation has remained stable during the year and is much dependent over the newly elected government.

Cash Reward

Company is the only listed cable manufacturer in Pakistan and is perceived as a growth stock instead of cash earning Company by the investors. Despite this, Company paid dividend of Rs. 6.00 / share this year. This would definitely have positive impacts over the share price in long run. This was in line with the Company's strategy to maintain a balance between cash distribution and re-investment in to future business.

Exchange Rate parity

Majority of the Company's raw material consist of imported items and are subject to change in exchange rate parity. Any impact on value of Rupee would have direct impact over the performance of the Company. Though management strives to be dynamic in its pricing mechanism so that any fluctuation in exchange rate does not have impact over the bottom line, however, not all of the impact can be factored in as desired.

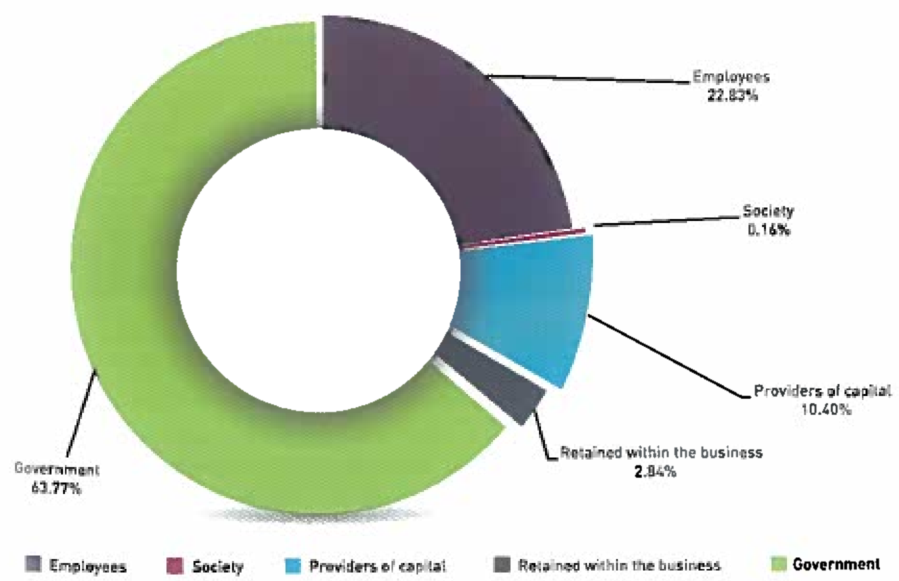
Interest Rates

Company's major source of funding is bank borrowing and fluctuation in interest rate directly impacts the bottom line of Company's profit and loss. During the year effective borrowing rate remained higher throughout the year and Company's bottom line had corresponding effects.

Low Medium High

Statement of Value Addition for the year ended 30 June 2018

	%	(Rupees in '000)
Value created		
Gross Sales - net of discount	99.75%	11,210,818
Other income	0.36%	40,687
Other comprehensive income / (loss)	(0.39%)	(44,048)
Share of profit from associate	0.14%	16,118
Transfer from surplus on revaluation of building	0.14%	15,241
	100.00%	11,238,816
Bought in materials and services	(71.85%)	(8,074,755)
Total	**28.15%**	**3,164,061**
Value Distribution		
To Government as taxes		
Income tax, sales tax & custom duty	62.19%	1,967,573
Workers funds, EOBI & social security contribution and local taxes	1.58%	50,005
To Employees as remuneration		
Salaries, wages and benefits	22.83%	722,298
To Society		
Donations	0.16%	5,175
To Providers of capital		
Financial charges to providers of finance	4.22%	133,616
Dividends for shareholders	6.18%	195,679
Retained within the business	2.84%	89,715
Total Value Distributed	**100.00%**	**3,164,061**



Independent Auditors' Report

To the Members of Pakistan Cables Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Cables Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	**Revenue Recognition**	
	Refer note 26 to the financial statements and the accounting policy in note 3.13 to the financial statements regarding the sale of goods. The Company generates revenue from sale of goods to domestic as well as export customers. Sales to the related parties represent 12% of the total sales. We identified recognition of revenue (against the sale of goods) as a key audit matter because revenue is one of the key performance indicators of the Company which gives rise to an inherent risk of the existence and the accuracy of the revenue.	Our audit procedures to assess the timing of revenue recognized from the sale of products included the following: • obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue; • comparing a sample of revenue transactions recognized during the year with the sales invoices, delivery orders and other relevant underlying documentations; and • comparing a sample of revenue transactions recorded around the year end with the sales invoices, delivery orders and other relevant underlying documentations to access if the related revenue was recorded in the appropriate accounting period.
2.	**Valuation of Stock-in-Trade**	
	Refer to note 11 to the financial statements and the accounting policy in note 3.9 to the financial statements. As at 30 June 2018, the Company's stock-in-trade amounted to Rs. 1,954.58 million. This significantly comprised of Copper Cathode, Copper rods, and Aluminum billets. We identified the valuation of stock-in-trade as a key audit matter because determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost involved significant management judgement and estimation.	Our audit procedures to assess the valuation of stock-in-trade included the following: • obtaining an understanding of the management's basis for the determination of NRV and the key estimates adopted, including future selling prices and costs necessary to make the sales and the basis of the calculation and justification for the amount of the write-downs and provisions; • assessing the NRV of stock-in-trade by comparing, on a sample basis, management's estimation of future selling prices for the products with the selling prices achieved subsequent to the end of the reporting period; and • comparing NRV to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.
3.	**Valuation of Trade Debts**	
	Refer to note 12 to the financial statements and the accounting policy in note 3.14 to the financial statements. The Company has a significant balance of trade debts. Provision against doubtful trade debts is based on management's judgement to determine the appropriate level of provision against balances which may not ultimately be recovered. We identified recoverability of trade debts as a key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.	Our audit procedures to assess the valuation of trade debts, amongst others, included the following: • obtaining an understanding of the management's basis for the determination of the provision required at the year end and the receivables collection process; • for a sample of trade debts, tested the adequacy of the provisions for doubtful debts recorded against trade debts by taking into account the ageing of receivables at the year end and cash received after year end, as well as assessing the judgements made by the management in relation to the credit worthiness of the debtors; • testing the accuracy of the data on a sample basis extracted from the Company's accounting system which is used to calculate the ageing of trade receivables; and • assessing the historical accuracy of provisions for doubtful debts recorded by examining the utilization or release of previously recorded provisions.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- **Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.**

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

Date: August 17, 2018

Karachi

Statement of Financial Position
As at 30 June 2018

	Note	2018	2017	1 July 2016
		(Rupees in '000)		
ASSETS				
Non-current assets				
Property, plant and equipment	6	2,186,084	2,166,066	2,090,[illegible]
Intangible assets	7	6,891	7,054	11,2[illegible]
Investment in an associated company	8	96,926	76,648	41,6[illegible]
Long-term loans receivable	9	5,721	2,380	2,8[illegible]
Long-term prepayments		-	-	3,1[illegible]
Total non current assets		2,295,622	2,252,148	2,148,[illegible]
Current assets				
Stores and spares	10	64,264	61,435	50,9[illegible]
Stock-in-trade	11	1,954,584	1,914,835	1,547,2[illegible]
Trade debts	12	1,971,710	1,318,916	1,020,0[illegible]
Short-term loans and advances	13	66,619	19,681	16,6[illegible]
Short-term deposits and prepayments	14	50,185	38,309	50,5[illegible]
Other receivables	15	9,509	30,545	5[illegible]
Advance tax - net of provisions		185,675	101,388	185,7[illegible]
Cash and bank balances	16	572,866	52,470	54,7[illegible]
Total current assets		4,875,412	3,537,579	2,926,5[illegible]
Total Assets		7,171,034	5,789,727	5,075,5[illegible]
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital				
50,000,000 (2017 : 30,000,000) ordinary shares of Rs. 10 each	17	500,000	300,000	300,0[illegible]
Share capital	17	284,623	284,623	284,6[illegible]
Advance against share capital	5 (a)	487,905	-	
Capital reserves				
Share premium reserve		527,800	527,800	527,8[illegible]
Surplus on revaluation of assets (land and building) - net of tax	18	1,104,333	1,103,112	1,114,1[illegible]
Revenue reserves				
General reserve		1,138,000	926,000	802,0[illegible]
Un-appropriated profit		215,336	270,023	252,3[illegible]
Total Shareholders' equity		3,757,997	3,111,558	2,980,8[illegible]
Non-current liabilities				
Long-term loans	19	289,375	198,125	227,5[illegible]
Deferred liability for staff gratuity	20	32,695	29,154	29,5[illegible]
Other long-term employee benefits	21	35,051	35,258	30,7[illegible]
Deferred tax liability - net	22	62,550	58,487	72,5[illegible]
Total non current liabilities		419,671	321,024	360,[illegible]
Current liabilities				
Current portion of long-term loans	19	68,750	64,375	12,5[illegible]
Trade and other payables	23	1,096,047	1,316,338	1,249,0[illegible]
Loans from banking companies	24	1,779,139	921,995	452,9[illegible]
Unclaimed dividend		23,776	42,693	13,1[illegible]
Mark-up accrued on bank borrowings		25,654	11,744	6,6[illegible]
Total current liabilities		2,993,366	2,357,145	1,734,[illegible]
Contingencies and commitments	25			
Total equity and liabilities		7,171,034	5,789,727	5,075,5[illegible]

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

Statement of Profit and Loss Account
For the year ended 30 June 2018

	Note	2018	2017
		(Rupees in '000)	
Net sales	26	9,560,954	8,083,511
Cost of sales	27	(8,423,835)	(6,815,996)
Gross profit		1,137,119	1,267,515
Marketing, selling and distribution costs	28	(438,265)	(406,018)
Administrative expenses	29	(248,902)	(230,120)
		(687,167)	(636,138)
Finance costs	30	(133,616)	(65,620)
Other expenses	31	(29,375)	(48,746)
		(162,991)	(114,366)
Other income	32	40,687	97,694
Share of profit from associate	8.2	16,118	9,546
Profit before income tax		343,766	624,251
Taxation	33	(38,423)	(145,795)
Profit for the year		305,343	478,456
		(Rupees)	
			(Restated)
Earnings per share - basic and diluted	34	10.32	16.25

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

Statement of Comprehensive Income
For the year ended 30 June 2018

	Note	2018	2017
		(Rupees in '000)	
Profit after tax for the year		305,343	478,4[illegible]
Other comprehensive income:			
Items that will not be reclassified to profit and loss account			
Remeasurement of post employment benefits obligations	20.1.7	(43,913)	32,9[illegible]
Related tax effect		13,430	(10,1[illegible]
		(30,483)	22,7[illegible]
Share of other comprehensive income from the associated company		(135)	[illegible]3
		(30,618)	22,7[illegible]
Total comprehensive income - transferred to statement of changes in equity		274,725	501,1[illegible]

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

Cash Flow Statement
For the year ended 30 June 2018

	Note	2018	2017
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	35	(325,088)	294,394
Payments to staff retirement benefits	20.1.8	(2,991)	(42,107)
Finance costs paid		(119,706)	(60,558)
Taxes paid - net		(92,971)	(85,357)
Long-term loans receivable		(3,341)	503
Long term deposits and prepayments		-	3,124
Net cash flows from operating activities		(544,097)	109,999
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(234,261)	(270,788)
Proceeds from disposal of fixed assets	6.1.3	2,774	4,027
Dividend received from an associate		2,304	3,456
Net cash flows from investing activities		(229,183)	(263,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		160,000	35,000
Repayment of long term loans		(64,375)	(12,500)
Net increase in short-term borrowings		662,997	370,495
Proceeds against subscription of right shares		487,905	-
Dividend paid		(146,998)	(340,490)
Net cash flows from financing activities		1,099,529	52,505
Net increase / (decrease) in cash and cash equivalents		326,249	(100,801)
Cash and cash equivalents at beginning of the year		(245,999)	(145,198)
Cash and cash equivalents at end of the year	36	80,250	(245,999)

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

Statements of Changes in Equity
For the year ended 30 June 2018

	Note	Share capital	Advance against share capital	Capital Reserve: Share premium reserve	Capital Reserve: Surplus on Revaluation of assets - Net of tax	Revenue Reserve: General reserve	Revenue Reserve: Un-appropriated profit	Total
		(Rupees in '000)						
Balance as at 01 July 2016 - as previously reported		284,623	-	527,800	-	802,000	252,344	[illegible]
Impact of change in accounting policy - net of tax	4	-	-	-	1,114,119	-	-	[illegible]
Balance as at 01 July 2016 - as restated		284,623	-	527,800	1,114,119	802,000	252,344	[illegible]
Total comprehensive income for the year ended 30 June 2017								
Profit for the year		-	-	-	-	-	478,456	[illegible]
Other comprehensive income for the year - net of tax		-	-	-	-	-	22,729	[illegible]
Total comprehensive income		-	-	-	-	-	501,185	[illegible]
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	18.2	-	-	-	(10,506)	-	10,506	
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2016 to 30 June 2017 - net of deferred tax	18	-	-	-	(501)	-	-	[illegible]
Transactions with owners recorded directly in equity								
Final cash dividend for the year ended 30 June 2016 @Rs. 4.50 per share		-	-	-	-	-	(128,081)	[illegible]
First interim cash dividend for the half year ended 31 December 2016 @Rs. 1.50 per share		-	-	-	-	-	(42,694)	[illegible]
Second interim cash dividend for the nine months ended 31 March 2017 @ Rs. 7.00 per share		-	-	-	-	-	(199,237)	[illegible]
Balance as at 30 June 2017		284,623	-	527,800	1,103,112	926,000	270,023	[illegible]
Balance as at 30 June 2017 as previously reported		284,623	-	527,800	-	926,000	270,023	[illegible]
Effect of change in accounting policy	4	-	-	-	1,103,112	-	-	[illegible]
Balance as at 01 July 2017		284,623	-	527,800	1,103,112	926,000	270,023	[illegible]
Total comprehensive income for the year ended 30 June 2018								
Profit for the year		-	-	-	-	-	305,343	[illegible]
Other comprehensive income for the year - net of tax		-	-	-	-	-	(30,618)	[illegible]
Total comprehensive income		-	-	-	-	-	274,725	[illegible]
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	18.2	-	-	-	(10,669)	-	10,669	
Effect of change in future tax rate	18.3	-	-	-	12,193	-	-	[illegible]
Share of surplus on revaluation of land and building of the associated company recognized during 01 July 2017 to 30 June 2018 - net of deferred tax	18	-	-	-	(303)	-	-	[illegible]
Transactions with owners recorded directly in equity								
Final cash dividend for the year ended 30 June 2017 @Rs. 2.00 per share		-	-	-	-	-	(56,925)	[illegible]
Interim cash dividend for the half year ended 31 December 2017 @Rs. 2.50 per share -		-	-	-	-	-	(71,156)	[illegible]
Advance against share capital		-	487,905	-	-	-	-	[illegible]
Balance as at 30 June 2018		284,623	487,905	527,800	1,104,333	1,138,000	215,336	[illegible]

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

Notes to the Financial Statements
For the year ended 30 June 2018

1. **LEGAL STATUS AND OPERATIONS**

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 PREPARATION**

2.1 **Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 IFRS Standards, the provisions of and directives issued under the Companies Act. 2017 have been followed.

2.2 **Basis of measurement**

These financial statements have been prepared under the historical cost convention except that the land and building are stated at revalued amounts, less accumulated depreciation and impairment losses, if any.

2.3 **Functional and presentation currency**

These financial statements are presented in Pakistani rupee which is the Company's functional currency. All financial information presented in Pakistani rupee has been rounded off to the nearest thousand, unless otherwise stated.

2.4 **Use of estimates and judgements**

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described as follows:

Notes to the Financial Statements
For the year ended 30 June 2018

2.4.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.2 Staff retirement and other benefits

Certain actuarial assumptions have been adopted as disclosed in these financial statements for the actuarial valuation of funded pension and unfunded gratuity schemes (note 20.1) and other benefits (note 21). Changes in these assumptions may effect the liability under these schemes in current and future years.

2.4.3 Trade and other debts

Impairment loss against doubtful trade and other debts is made on a judgemental basis, for which provision may differ in the future years based on the actual experience. The difference in provision if any, would be recognised in the future years.

2.4.4 Property, plant and equipment and intangible assets

The Company's management determines the residual values, estimated useful lives and related depreciation charge for its plant and equipments. The estimates for revalued amounts of land and building are based on a valuation carried out by external professional valuer of the Company. The Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding effect on the depreciation charge and impairment.

2.4.5 Stock in trade and stores and spares

The Company reviews the net realizable value of stock in trade and impairment against stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and stores and spares with a corresponding effect on the profit and loss account of those future years.

2.4.6 Investment in associate

The Company determines that a significant and prolonged decline in the fair value of its investment in associate below its cost is an objective evidence of impairment. The impairment loss is recognised when the carrying amount exceeds the higher of fair value less cost to sell and value in use.

2.5 Change in accounting standards, interpretations and amendments to published approved accounting standards

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- IAS 7, 'Statement of Cash Flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided. The relevant disclosure have been made in these financial statements.

- The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual financial statements of the Company. These changes also include change in respect of recognition criteria of revaluation surplus on fixed assets as explained in detail in note 4, change in nomenclature of primary statements, etc. Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the elimination of duplicative disclosures with the IFRS disclosure requirements; and incorporation of significant additional disclosures which have been included in these financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2017. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after 1 July 2018, that may have an impact on the financial statements of the Company:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

Notes to the Financial Statements
For the year ended 30 June 2018

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of / payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have a material impact on Company's financial statements.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have material impact on Company's financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. Management is not expecting impact of the standard on Company's financial reporting.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

Notes to the Financial Statements
For the year ended 30 June 2018

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements, except for the change mentioned in note 4 to these financial statements.

3.1 Investment in associate - equity method

Investments in associate where the Company has significant influence but not control over the financial and operating policies are accounted for using equity basis of accounting, under which the investment in associate are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of the profit or loss of the associate after the date of acquisition, less impairment losses, if any. The Company's share of the profit or loss of the associate is recognised in the Company's profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the associate arising from changes in the associate's other comprehensive income and surplus on revaluation of fixed assets. The Company's share of those changes are respectively recognised directly in other comprehensive income and surplus on revaluation of fixed asset account of the Company.

Gain / loss on sale of above investments, if any, are recognised in the period of sale. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and loss, if any is recognised in the profit and loss account.

Notes to the Financial Statements
For the year ended 30 June 2018

3.2 Staff retirement benefits and other benefits

Defined benefit plans

The Company operates a defined benefit funded pension scheme for permanent employees who are in the management cadre. However, the benefit is available to those employees only who had joined before 01 April 20[illegible]

In addition, the Company operates an unfunded gratuity scheme, for all permanent workers.

The Company's obligation under the pension and gratuity schemes are determined through actuarial valuation carried out under the "Projected Unit Credit Method". Actuarial valuations are conducted annually and the latest valuation was conducted at the balance sheet date (30 June 2018). When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan. Service costs are recognised in profit and loss in the period in which they occur. Net interest on net defined benefit liability is also recognised in profit and loss. Net of tax remeasurement comprising actuarial gain / loss, the return on plan assets (excluding interest) and the effect of the asset ceiling (excluding interest) are recognised in other comprehensive income

Defined contribution plan

The Company also operates a recognised provident fund scheme for its employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic pay and dearness allowance

Other long term employee benefit

The Company accounts for long term staff compensated absences on the basis of actuarial valuation carried out under the Projected Unit Credit Method. Current service cost, actuarial gains or losses and past service cost are recognised immediately in the profit and loss account.

3.3 Financial liabilities

Financial liabilities include long-term loan, loan from banking companies, trade and other payables and mark-up accrued on bank borrowings and are initially recognised at the time when the Company becomes party to the contractual provisions of the instruments. All financial liabilities are recognised initially at fair value plus directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest rate method, where applicable. The Company derecognises the financial liabilities when they are extinguished, that is when the obligation referred in the contract is discharged, cancelled or have expired. Gain or loss on derecognition is recognised in the profit and loss account.

3.4 Taxation

Income Tax expense comprises current and deferred tax. Income Tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in the other comprehensive income or in equity, in which case it is recognized in the other comprehensive income or equity respectively.

Current

Provision for current taxation is based on taxability of certain income streams under final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. Provision of current tax is determined using the tax rate enacted at the balance sheet date.

Deferred

Deferred tax is recognized using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Further, the Company also recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

3.5 Property, plant and equipment

- Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except that building is stated at revalued amount less accumulated depreciation and impairment losses, if any, while land is stated at revalued amount (less impairment losses, if any). Cost of leasehold land is not amortised since the lease is renewable at nominal price at the option of the lessee. Capital work-in-progress is stated at cost accumulated to the balance sheet date less impairment losses, if any. Cost include expenditures directly attributable to the acquisition of an asset.

- Depreciation is charged to income applying the straight line method where by the cost of an asset is written off over its estimated useful life. Depreciation on addition is charged from the month the asset is available for use, while in case of disposal it is charged up to the month of disposal.

- The assets' residual values and useful lives are reviewed at the reporting date and if expectations differ from previous estimates, the change is accounted for as a change in an accounting estimate.

- Leasehold land and building are revalued by independent professionally qualified valuer with sufficient regularity to ensure that the net carrying amount does not differ materially from the fair values. In case of building, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated at the revalued amount of the asset. Surplus on revaluation of assets are credited to a 'Surplus on revaluation' account on the balance sheet in equity (earlier it was presented below equity. Refer note 4 for details). Surplus on revaluation of building to the extent of incremental depreciation charged thereon is transferred from surplus on revaluation of building to retained earnings (unappropriated profit), net of deferred tax.

- Expenditure incurred subsequent to the initial acquisition of asset is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and it meets the recognition criteria mentioned in accounting standards. All other expenditure is recognised in the profit and loss account as expense.

- Gains or losses on disposal are included in profit and loss account currently.

3.6 Intangible Assets

Intangibles assets are initially recognised at cost less accumulated amortization and impairment losses, if any. Costs that are directly associated with identifiable software product controlled by the Company and have probable economic benefits beyond one year are recognised as intangible asset. Costs associated with maintaining computer software are recognised as an expense as and when incurred.

Amortisation is charged to profit and loss account by applying the straight line basis whereby the carrying amount of an asset is amortised over its estimated useful life to the Company unless such life is indefinite. Amortisation is charged from the month the asset is available for use, while in case of disposal it is charged up to the month of disposal.

The Company accounts for impairment, where indications exist, by reducing asset's carrying amount to the recoverable amount.

3.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

3.8 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision for obsolete and slow moving stores and spares is determined based on the management's estimate regarding their future usability.

Net realizable value signifies the estimated selling price in the ordinary course of business less the net estimated costs necessary to be incurred to make the sale.

3.9 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined under the weighted average basis. Cost of work-in-process and finished goods consists of direct materials, labour and applicable production overheads. Net realizable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses. The management continuously reviews its inventory for existence of any item which may be obsolete. Provision is made for slow moving inventory based on managements estimation. These are based on historical experience and are continuously reviewed.

Items in-transit are valued at lower of cost and net realisable value. Cost comprises invoice value plus other charges paid thereon up to the balance sheet date.

Scrap is valued at estimated realizable value.

3.10 Financial assets

Financial assets includes trade debts, other receivables, loans, advances and deposits and are initially recognised at the time when the company becomes party to the contractual provisions of the instruments. These are recognised initially at fair value plus directly attributable transaction costs, if any and subsequently is measured at amortised cost using effective interest rate method if applicable, less provision for impairment, if any. A provision for impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to

the original terms of receivables. The Company derecognises the financial assets when it ceases to be a party to the contractual provisions of such assets. Gain or loss on derecognition is recognised in the profit and loss account.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Short term running finances that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flows statement.

3.12 Foreign currency translation

Transactions in foreign currencies are recorded in Pakistan rupees at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported in Pakistani rupees at the rates of exchange ruling at the balance sheet date. Exchange gains and losses on translation are included in profit and loss account currently.

3.13 Revenue recognition

Revenue from sale of goods is measured at fair value of the consideration received or receivable. The Company records revenue from sale of goods on dispatch of goods to its customers i.e. when the significant risks and rewards of ownership are transferred to the customer. Commission income is recorded when the service is rendered.

3.14 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories and deferred tax asset, are reviewed at each balance sheet date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.16 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.17 Dividends and reserve appropriation

Dividends and reserve appropriations are recognized in the period in which these are declared / approved. Transfers between reserves made subsequent to balance sheet dates is considered as non-adjusting event and is recognised in the financial statement in the period in which these are approved.

3.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4. CHANGE IN AN ACCOUNTING POLICY

Effective 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the previous Companies Ordinance, 1984 (the repealed Ordinance). Section 235 of the repealed Ordinance related to treatment of surplus arising on revaluation of property, plant and equipment has not been carried forward in the Act. The said section of the repealed Ordinance specified the presentation and accounting treatment relating to the revaluation of property, plant and equipment which was not in accordance with the requirement of IAS 16 'Property, Plant and Equipment' as applicable in Pakistan. Consequently, the Company changed its accounting policy for the revaluation surplus on property, plant and equipment in accordance with the requirement of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provision of Section 235 of the repealed Ordinance. Earlier, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Ordinance. The accounting policy and presentation requirement relating to revaluation surplus on property, plant and equipment has been changed to bring it in conformity with the requirement of IAS 16 "Property, Plant and Equipment" as explained in note 6.1 to these financial statements. Due to the change, the revaluation surplus on property, plant and equipment is now presented in the statement of financial position and statement of changes in equity as a reserve i.e. part of equity.

In accordance with the requirements of IAS 8 'Accounting policies, estimates and errors', above explained change in accounting policy has been accounted for retrospectively, with the restatement of the comparative information. As a result, a third statement of financial position as at the beginning of the preceding period is presented (i.e. 1 July 2016).

Notes to the Financial Statements
For the year ended 30 June 2018

Statement of Financial Position

Retrospective impact of change in accounting policy

	30 June 2017			As at 1 July 2016		
	As previously reported on 30 June 2017	Adjustments Increase/ (Decrease)	As restated on 30 June 2017	As previously reported on 30 June 2016	Adjustments Increase/ (Decrease)	As restated on 1 July 2016
	Rupees in '000					
Revaluation surplus on property, plant and equipment (within equity)	-	1,103,112	1,103,112	-	1,114,119	1,114,119
Revenue reserve	1,196,023	-	1,196,023	1,054,344	-	1,054,344
Net impact on equity	1,196,023	1,103,112	2,299,135	1,054,344	1,114,119	2,168,463
Revaluation surplus on property, plant and equipment (below equity)	1,103,112	(1,103,112)	-	1,114,119	(1,114,119)	-
	1,103,112	(1,103,112)	-	1,114,119	(1,114,119)	-

The effect of the change is in the recognition and presentation of Rs. 1,104.333 million for revaluation surplus on property, plant and equipment as a capital reserve i.e. separate component of equity and derecognition of revaluation surplus of property, plant and equipment of Rs. 1,104.333 million, previously being presented below equity in the statement of financial position.

There was no change in the reported amount of statement of financial position (except the retrospective effect of the total amount of equity as explained above), profit and loss account and other comprehensive income as at and for the year ended 30 June 2018. There was no cash flow impact as a result of the retrospective application of change in accounting policy and no impact on basic and diluted earnings per share for the years ended 30 June 2017 and 30 June 2018.

5. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

a) During the year, right issue 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). Up to 30 June 2018, Rs. 487.91 million was received by the Company against the above right issue, while a total of Rs. 1,138.50 million (Rs.160 per share for 7,115,594 right shares), was received in a separate bank account maintained with MCB Bank Limited up till 13 July 2018. (Refer note 16). Total receipts include 2,662,726 shares which were not subscribed and were taken up by other persons including the employees of the Company on the basis of their expression of interest.

b) The Company declared an interim dividend of 25% (i.e. Rs. 2.50 per share) on 30 January 2018 amounting to Rs. 71.16 million for the half year ended 31 December 2017.

c) Arranged a long-term finance facility from Habib Bank Limited with a sactioned limit of Rs. 250 million (refer note 19).

d) Arranged a short-term export refinance facility from Bank Al-Habib Limited with a sactioned limit of Rs. 65 million (refer note 24)

e) The accounting policy relating to revaluation surplus on property, plant and equipment changed during the year as detailed in note 4 to these financial statements.

	Note	2018	2017
		(Rupees in '000)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	2,116,986	2,075,647
Capital work-in-progress	6.2	69,098	90,419
		2,186,084	2,166,066

6.1 Operating fixed assets

2018

	Cost / revaluation				Depreciation				Net book
	As at 01 July 2017	Additions	(Disposals)	As at 30 June 2018	As at 01 July 2017	For the year	(Disposals)	As at 30 June 2018	value as at 30 June 2018
	(Rupees in '000)								
Lease hold land at revalued amount	892,000	-	-	892,000	-	-	-	-	892,000
Building on leasehold land at revalued amount	418,025	251	-	418,276	20,130	20,919	-	41,049	377,227
Leasehold improvements	22,498	3,032	-	25,530	14,142	5,319	-	19,461	6,069
Plant and machinery	1,979,701	222,439	-	2,202,140	1,258,180	159,381	-	1,417,561	784,579
Office equipment and appliances	114,960	11,125	(4,310)	121,775	89,939	11,664	(4,275)	97,328	24,447
Furniture and fittings	26,143	3,346	-	29,489	17,538	1,738	-	19,276	10,213
Vehicles	53,850	9,787	(3,868)	59,769	32,600	9,161	(3,829)	37,932	21,837
Loose tools	4,395	433	-	4,828	3,396	818	-	4,214	614
	3,511,572	250,413	(8,178)	3,753,807	1,435,925	209,000	(8,104)	1,636,821	2,116,986

Cost of above assets include cost of operating assets of Rs. 719.39 million (2017 : Rs. 569.38 million) having net book value of Nil value at the reporting date which are still in use.

2017

	Cost / revaluation				Depreciation				Net book
	As at 01 July 2016	Additions	(Disposals)	As at 30 June 2017	As at 01 July 2016	For the year	(Disposals)	As at 30 June 2017	value as at 30 June 2017
	(Rupees in '000)								
Lease hold land at revalued amount	892,000	-	-	892,000	-	-	-	-	892,000
Building on leasehold land at revalued amount	392,022	26,003	-	418,025	-	20,130	-	20,130	397,895
Leasehold improvements	22,498	-	-	22,498	9,174	4,968	-	14,142	8,356
Plant and machinery	1,821,770	158,531	(600)	1,979,701	1,116,115	142,665	(600)	1,258,180	721,521
Office equipment and appliances	99,588	15,546	(174)	114,960	78,557	11,536	(154)	89,939	25,021
Furniture and fittings	24,541	1,602	-	26,143	15,694	1,844	-	17,538	8,605
Vehicles	57,307	2,754	(6,211)	53,850	27,629	9,910	(4,939)	32,600	21,250
Loose tools	4,289	106	-	4,395	2,494	902	-	3,396	999
	3,314,015	204,542	(6,985)	3,511,572	1,249,663	191,955	(5,693)	1,435,925	2,075,647

6.1.1 Factory of the Company is situated at 11.15 acres of land at B/21, S.I.T.E., Karachi.

6.1.2 Valuation of lease hold land and the building thereon was carried out by the Company as of 30 June 2016 by MYK Associates (Private) Limited (an independent valuer) on market value basis after making independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. Revaluations of the above assets were earlier carried out on 30 June 2005, 30 June 2008, 30 June 2011 and 30 June 2014. Resulting surplus has been credited to the revaluation surplus account, net of related tax effect. The balance in the surplus on revaluation land and building as at the reporting date are not available for distribution to the shareholders. Had there been no revaluation, the related details under the cost model would have been as follows:

	Cost	Accumulated depreciation	Net book value	Forced sale value
	(Rupees in '000)			
Leasehold land	-	-	-	713,600
Building	182,624	79,737	102,887	313,619
	182,624	79,737	102,887	1,027,219

At 30 June 2018, the balance of undepreciated surplus was Rs. 1,166.34 million (2017: Rs. 1,181.58 million).

6.1.3 Details of operating fixed assets disposed off during the year are as follows:

Assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Purchaser	Address
	(Rupees in '000)						
Items of net book value below Rs. 500,000 each	8,178	8,104	74	2,774	Negotiation / Insurance claim	Various	-
2018	8,178	8,104	74	2,774			
2017	6,985	5,693	1,292	4,027			

6.1.4 Depreciation has been allocated as follows:

	Note	2018	2017
		(Rupees in '000)	
Cost of sales	27	188,173	170,607
Marketing, selling and distribution costs	28	11,293	9,455
Administrative expenses	29	9,534	11,893
		209,000	191,955

6.2 Capital work-in-progress

	Cost			
	As at 01 July	Additions	(Transfers)	As at 30 June
	--------(Rupees in '000)--------			
Plant and machinery	84,113	178,447	(196,043)	[illegible]
Office equipments	-	1,904	(1,904)	[illegible]
Advance for vehicles, leasehold improvement and furnitures and fittings	6,306	10,287	(14,012)	[illegible]
2018	90,419	190,638	(211,959)	[illegible]
2017	25,683	202,994	(138,258)	[illegible]

7. INTANGIBLE ASSETS

	Note	2018	2017
		------(Rupees in '000)------	
Operating intangible assets	7.1	5,307	5,854
Software under implementation		1,584	1,200
		6,891	7,054

7.1 Operating intangible assets

2018

	Cost			Amortization			Net Book	Rate
	As at 01 July 2017	Additions	As at 30 June 2018	As at 01 July 2017	For the year	As at 30 June 2018	Value as at 30 June 2018	%
	------(Rupees in '000)------							
Computer software and license fee	17,277	4,785	22,062	11,423	5,332	16,755	5,307	[illegible]
	17,277	4,785	22,062	11,423	5,332	16,755	5,307	

2017

	Cost			Amortization			Net Book	Rate
	As at 01 July 2016	Additions	As at 30 June 2017	As at 01 July 2016	For the year	As at 30 June 2017	Value as at 30 June 2017	%
	------(Rupees in '000)------							
Computer software and license fee	16,967	310	17,277	5,724	5,699	11,423	5,854	[illegible]
	16,967	310	17,277	5,724	5,699	11,423	5,854	

Notes to the Financial Statements
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7.1.1 Cost of amortization has been allocated as follows:

	Note	2018	2017
		------(Rupees in '000)------	
Cost of sales	27	117	-
Administrative expenses	29	5,215	5,699
		5,332	5,699

8. INVESTMENT IN AN ASSOCIATED COMPANY - equity accounted for

	2018	2017	2018	2017
	(% of holding)		(Rupees in '000)	
International Industries Limited (IIL) 576,000 (2017: 576,000) fully paid ordinary shares of Rs. 10 each [market value of Rs. 133.80 million (2017: Rs. 212.30 million)]	0.48	0.48	96,926	76,648

8.1 Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship.

8.2 During the year, Rs. 16.12 million (2017 : Rs. 9.55 million) was recognised in the profit and loss account as the Company's share of the associated company's profit and Rs. 0.30 million (2017 : Rs. 0.29 million) was recognised in surplus on revaluation of assets account as its share of 'surplus on the revaluation' of the associate's land and buildings. Dividend amounting to Rs. 2.30 million (2017: Rs. 3.46 million) was received from the associated company during the year and outstanding dividend from the same company as at 30 June 2018 amounted to Rs. Nil (2017 : Rs. 2.59 million). Company has also reversed impairment amounting to Rs. 6.96 million (2017 : Rs. 31.78 million) during the year on this investment.

8.3 International Industries Limited is part of KMI all share index as at 30 June 2018.

8.4 **Summarised financial information of associated company**

	International Industries Limited (IIL)	
	31 March 2018 (Un-audited)	30 June 2017 (Audited)
	(Rupees in '000)	
Assets	54,915,124	42,552,610
Liabilities	37,790,769	28,436,973

	For the Nine Months ended 31 March 2018 (Un-audited)	For the year ended 30 June 2017 (Audited)
	(Rupees in '000)	
Total revenue	48,211,705	44,117,667
Profit after tax	3,941,592	4,065,083

Notes to the Financial Statements
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8.5 Above associate has been equity accounted for up to 31 March 2018. The management does not expect the resu[lts] of operations for the 3 months ended 30 June 2018 to be material.

8.6 The registered address of the above associated company is situated at 101, Beaumont Plaza, 10 Beaumont R[oad], Karachi, Pakistan. Investment in associated company was made in accordance with the requirement of then effectiv[e] Companies, Ordinance, 1984.

9. LONG-TERM LOANS RECEIVABLE

	Note	2018	2017
		(Rupees in '000)	
Considered good - secured			
Due from non-executive employees		6,724	3,074
Due from executives		1,228	-
Due from executive director	9.2	666	1,039
		8,618	4,113
Current portion of long term loans	13	(2,897)	(1,733)
		5,721	2,380

9.1 Above loans have been given to the employees for the purchase of motor cars, motorcycles and other purposes as pe[r] the Company policy and agreement with the workers' union. These are repayable in thirty-six to sixty equal month[ly] principal instalments. These are secured against the respective provident fund balances. This includes loans of R[s.] 2.53 million (2017: Rs. Nil million) for the purchase of motor cars and Rs. 1.45 million (2017: Rs. 0.97 million) fo[r] other purposes and carry mark-up of 5% and 8% per annum respectively.

9.2 Balance due from executive director

	2018	2017
Opening balance	1,039	-
Loan granted during the year	-	1,296
Mark-up accrued during the year	59	67
Repayment of loan during the year	(432)	(324)
Closing balance	666	1,039

This loan carries interest at 8% per annum. Securities and Exchange Commission of Pakistan has given its approval f[or] the loan. The loan is a house rent advance and is repayable in 36 monthly principal instalments. Original disburseme[nt] was Rs 1.30 million.

10. STORES AND SPARES

	Note	2018	2017
		(Rupees in '000)	
Stores (including Rs. 0.09 million in transit (2017: Rs. 0.19 million))		3,554	4,981
Spares (including Rs. 0.70 million in transit (2017: Rs. 15.18 million))		67,231	61,850
		70,785	66,831
Provision against slow moving stores and spares	10.1	(6,521)	(5,396)
		64,264	61,435

Notes to the Financial Statements
For the year ended 30 June 2018

10.1 Provision against slow moving stores and spares

	Note	2018	2017
		(Rupees in '000)	
Balance as at 01 July		5,396	5,817
Charge / (reversal) during the year		1,125	(421)
Balance as at 30 June		6,521	5,396

11. STOCK-IN-TRADE

	Note	2018	2017
Raw materials (including Rs. 24.10 million in transit (2017: Rs. 224.10 million))	11.1	878,375	917,039
Work-in-process	11.2	503,424	476,583
Finished goods	11.2	523,037	485,427
Scrap		49,748	35,786
		1,954,584	1,914,835

11.1 Raw material includes slow moving items carried at Rs. Nil (2017: Nil) as against their cost of Rs. 25.46 million (2017: Rs. 26.49 million).

11.2 Work-in-process and finished goods include slow moving items aggregating Rs. 17.25 million (2017: Rs. 10.60 million) and Rs. 23.21 million (2017: Rs. 18.20 million) respectively stated at their net realizable values against their cost of Rs. 18.24 million (2017: Rs. 11.44 million) and Rs. 38.68 million (2017: Rs. 33.54 million) respectively.

11.3 Provision against raw materials

	2018	2017
Balance as at 01 July	26,491	14,238
(Reversal) / charge during the year - net	(1,035)	12,253
Balance as at 30 June	25,456	26,491

12. TRADE DEBTS

Unsecured and non-interest bearing

	Note	2018	2017
Considered good			
Due from related parties	12.1	226,241	181,666
Others		1,745,469	1,137,250
		1,971,710	1,318,916
Considered doubtful			
Others		47,914	48,066
		2,019,624	1,366,982
Provision for doubtful trade debts	12.2	(47,914)	(48,066)
		1,971,710	1,318,916

12.1 The related parties from whom the debts are due are as under:

	Note	2018	2017
		(Rupees in '000)	
Intermark (Private) Limited		190,812	157,381
Cherat Cement Limited		24,068	-
Atlas Honda Limited		10,579	765
Atlas Power Limited		480	-
International Industries Limited		302	877
ICI Pakistan Limited		-	16,936
Atlas Autos (Private) Limited		-	5,591
International Steels Limited		-	116
	12.1.1	226,241	181,666

Above entities are related parties / associated undertaking due to presence of significant influence owing to common directorship.

12.1.1 Above balances are mark-up free and unsecured. Ageing of above balances at the balance sheet date is as follows:

	2018	2017
Not past due	223,843	175,127
Past due 1-180 days	2,398	6,495
Past due 181-365 days	-	44
	226,241	181,666

None of the above debts are considered to be impaired.

12.2 Provision for doubtful trade debts

	Note	2018	2017
		(Rupees in '000)	
Opening balance		48,066	46,590
Provision during the year - net	29	-	1,476
Trade debts balances written off during the year		(152)	-
		47,914	48,066

12.3 The related parties from whom the maximum aggregate amount outstanding at any time during the year (month-end balances) are as under:

	2018	2017
Intermark (Private) Limited	224,507	183,450
Cherat Cement Limited	64,331	3,084
International Steels Limited	43,654	6,042
ICI Pakistan Limited	22,949	16,936
Atlas Honda Limited	10,579	5,507
Atlas Autos (Private) Limited	4,472	9,279
International Industries Limited	3,555	2,230
Atlas Engineering Limited	2,781	-
Atlas Power Limited	480	27
Shirazi Trading Company (Private) Limited	-	1,238

Notes to the Financial Statements
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13. SHORT-TERM LOANS AND ADVANCES

	Note	2018	2017
		(Rupees in '000)	
Unsecured and non-interest bearing - considered good			
Current portion of long term loans	9	2,897	1,733
Short-term advances to employees		1,412	2,437
Advances to suppliers		62,310	15,511
		66,619	19,681

14. SHORT TERM DEPOSITS AND PREPAYMENTS

	Note	2018	2017
Unsecured and non-interest bearing - considered good			
Deposits		36,328	36,606
Prepayments		13,857	8,004
		50,185	44,610
Provision against deposits	14.1	-	(6,301)
		50,185	38,309

14.1 Provision against deposits

Details of provision held / reversal are as follows:

	2018	2017
Balance of provision as at 01 July	6,301	-
(Reversal) / Provision during the year	(6,301)	6,301
Balance of provision as at 30 June	-	6,301

15. OTHER RECEIVABLES

	Note	2018	2017
Unsecured and non-interest bearing			
Considered good			
Sales tax receivable		9,344	-
Receivable from staff pension fund - related party	20.1.8	-	27,612
Dividend receivable from related party - net of tax		-	2,268
Excess payment to Workers' profit participation fund	23.3	-	500
Others		165	165
		9,509	30,545

16. CASH AND BANK BALANCES

	Note	2018	2017
With banks - in current accounts (non-interest bearing)	16.1	557,447	45,417
- profit and loss sharing account (interest bearing)		15,112	6,714
Cash in hand		307	339
		572,866	52,470

16.1 This includes Rs. 487.91 million received against the right issue as further explained in note 5 to these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2018

17. SHARE CAPITAL

2018	2017		Note	2018	2017
------(Number of shares)------				--------(Rupees in '000)--------	
Authorised Share Capital					
50,000,000	30,000,000	Ordinary shares of Rs. 10 each	17.2	500,000	300,000
Issued, subscribed and paid-up Share Capital					
8,475,225	8,475,225	Ordinary shares of Rs. 10 each fully paid in cash		84,752	84,752
174,775	174,775	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		1,748	1,748
19,812,376	19,812,376	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		198,123	198,123
28,462,376	28,462,376		17.1	284,623	284,623

17.1 This includes 4,873,976 (2017 : 2,425,913) ordinary voting shares of Rs. 10 each held by International Industries Limited (associated company).

17.2 During the year, authorized capital of the company was increased from Rs. 300 million to Rs. 500 million.

18. SURPLUS ON REVALUATION OF ASSETS (Land and building) - net of tax

	Note	2018	2017
		---------------(Rupees in '000)---------------	
Leasehold land			
Balance as at 30 June		892,000	892,000
Building on leasehold land			
Balance as at 01 July of revaluation surplus		289,581	304,822
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	18.2	(15,241)	(15,241)
		274,340	289,581
Related deferred tax liability at beginning of the year		(86,875)	(91,610)
Related deferred tax liability of amount transferred to unappropriated profit in respect of incremental depreciation charged during the year	18.2	4,572	4,735
Effect of change in future tax rate	18.3	12,193	-
Balance of deferred tax liability as of the year-end	22	(70,110)	(86,875)
Share of surplus on revaluation of land and building of the associated company - (net of tax of Rs. 1.43 million (2017: Rs.1.48 million))		8,103	8,406
		1,104,333	1,103,112

18.1 The revaluation surplus on land and building is a capital reserve and is not available for distribution to the shareholders of the company in accordance with section 241 of the Companies Act, 2017.

18.2 Net transfer to unappropriated profit amounted to Rs. 10.67 million (2017: Rs. 10.51 million).

18.3 This represents the effect on deferred tax liability due to the change in tax rates for future years.

19. LONG TERM LOANS - secured

	Note	2018	2017
		--------------- (Rupees in '000) -----------	
Loan from conventional financial institutions		358,125	262,500
Current portion shown under current liabilities		(68,750)	(64,375)
		289,375	198,125

19.1 Long term loans have been obtained for the purpose of capital expenditure and are secured against hypothecation of specific items of plant and machinery. Rate of mark-up on the loans at the year-end ranged between 6.59% to 7.16% per annum (2017: 6.72% to 6.80% per annum) at 6 months KIBOR plus 0.10% / 0.60% / 0.65%. These loans are for five years from the date of disbursement and 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. Total facility available to the Company under the above arrangement amounted to Rs. 600 million of which the amount remaining unutilized as at 30 June 2018 was Rs.165 million (2017: Total facility available of Rs. 350 million of which the amount unutilized as at 30 June 2017 was Rs. 75 million).

Above loans are secured against hypothecation charge of Rs. 580 million over the specific plant, machinery and equipment of the Company.

20. STAFF RETIREMENT BENEFITS

20.1 Defined benefit plans

The details of the actuarial valuation under the projected unit credit method as at 30 June 2018 for funded pension and unfunded gratuity schemes are as follows:

20.1.1 Actuarial assumptions

	2018		2017	
	Pension	Gratuity	Pension	Gratuity
	-------------- (%) --------------		-------------- (%) --------------	
Discount rate	9.40	9.40	8.60	8.60
Expected rate of salary increase				
- Executives	11.80	-	10.40	-
- Workmen	-	5.60	-	4.80
Pension increase	1.60	-	0.90	-

20.1.2 Balance sheet reconciliation

	Note	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
		(Rupees in '000)		(Rupees in '000)	
Fair value of plan assets	20.1.3	387,179	-	425,294	-
Present value of defined benefit obligations	20.1.4	(405,765)	(32,695)	(397,682)	(29,154)
Net (liability) / asset	20.1.8	(18,586)	(32,695)	27,612	(29,154)

20.1.3 Changes in fair value of plan assets

	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
Fair value as at 01 July	425,294	-	303,975	-
Interest income	35,975	-	25,440	-
Remeasurement (loss) / gain due to investment return	(60,134)	-	67,838	-
Benefits paid	(13,956)	-	(11,959)	-
Contribution to the fund	-	-	40,000	-
Fair value as at 30 June	387,179	-	425,294	-

20.1.4 Changes in present value of defined benefit obligation

	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
Obligation as at 01 July	397,682	29,154	340,633	29,529
Current service cost	7,103	1,709	5,091	1,666
Interest cost	33,601	2,379	26,772	2,278
Remeasurement (gain) / loss due to :				
Change in financial assumptions	(10,179)	80	19,058	(897)
Experience adjustment	(8,486)	2,364	18,087	(1,315)
Benefits paid	(13,956)	(2,991)	(11,959)	(2,107)
Obligation as at 30 June	405,765	32,695	397,682	29,154

20.1.5 Amounts recognised in the profit and loss account

	Note	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
		(Rupees in '000)		(Rupees in '000)	
Service cost		7,103	1,709	5,091	1,666
Net interest on net defined benefit liability		(2,374)	2,379	1,332	2,278
Chargeable in profit and loss account		4,729	4,088	6,423	3,944

20.1.6 Amounts recognised in other comprehensive income (OCI)

	Note	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
Remeasurement due to:					
Change in financial assumptions		(10,179)	80	19,058	(897)
Experience adjustment		(8,486)	2,364	18,087	(1,315)
Investment return		60,134	-	(67,838)	-
Chargeable to other comprehensive income	20.1.7	41,469	2,444	(30,693)	(2,212)
Total		46,198	6,532	(24,270)	1,732

20.1.7 Expense recognised in the OCI for both the above benefits is Rs. 43.91 million (2017: Income of Rs. 32.91 million).

20.1.8 Recognised (liability) / asset

	Note	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
Balance as on 01 July		27,612	(29,154)	(36,658)	(29,529)
(Expense) / income recognised	20.1.6	(46,198)	(6,532)	24,270	(1,732)
Payments during the year		-	2,991	40,000	2,107
Company's (liability) / asset as at 30 June		(18,586)	(32,695)	27,612	(29,154)

	2018 Pension	2018 Gratuity	2017 Pension	2017 Gratuity
20.1.9 Actual return on plan assets	(24,159)	-	93,278	-

20.1.10 Fund investments composition / fair value of plan assets

	2018 Amount (Rupees in '000)	2018 Percentage	2017 Amount (Rupees in '000)	2017 Percentage
Government bonds				
- Pakistan Investment Bonds (10 years)	134,421	35%	59,237	14%
- Market treasury bills (3 Months)	58,777	15%	133,238	32%
Term Finance Certificates of Bank Al-Falah Limited	66,792	16%	67,777	16%
Listed equity shares (related party)	54,031	14%	85,728	20%
Mutual funds				
- NAFA Asset allocation fund	33,642	9%	36,082	8%
- NAFA Islamic asset allocation fund	32,920	9%	36,136	8%
Bank Balances	6,596	2%	7,096	2%
	387,179		425,294	

20.1.11 Historical information

	2018	2017	2016	2015	2014
	(Rupees in '000)				
- Pension					
Fair value of plan assets	387,179	425,294	303,975	244,411	227,672
Present value of the defined benefit obligation of pension	(405,765)	(397,682)	(340,633)	(293,078)	(244,073)
(Deficit) / surplus in the plan	(18,586)	27,612	(36,658)	(48,667)	(16,401)
- Gratuity (unfunded)					
Fair value of plan assets	-	-	-	-	-
Present value of the defined benefit obligation of gratuity	(32,695)	(29,154)	(29,529)	(24,835)	(25,217)
Deficit in the plan	(32,695)	(29,154)	(29,529)	(24,835)	(25,217)

20.1.12 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on Obligation of Change in Assumption	
	Increase in assumption	Decrease in assumption
	(Rupees in '000)	
Discount rate - change by 1%	(41,029)	48,937
Salary increase - change by 1%	13,364	(12,043)
Pension increase - change by 1%	28,978	(25,448)

If life expectancy increases by 1 year, the obligation increases by Rs. 11.83 million (2017: Rs. 8.56 million).
In addition the weighted average of plan durations for pension is 11.6 years (2017: 11.2 years), while for gratuity it is 9.5 years (2017: 9.9 years).

20.1.13 Maturity profile of the defined benefit obligation - undiscounted payments

	1	2	3	4	5
	(Time in years)				
	(Rupees in '000)				
Distribution of timing of benefit payments					
- Pension	31,264	32,048	32,872	35,172	36,705
- Gratuity	958	2,594	3,626	2,557	1,270
	32,222	34,642	36,498	37,729	37,975

20.1.14 Cost projections for the financial year ended 30 June 2019 (chargeable to the profit and loss account), as per the actuary, for pension amounts to Rs. 8.41 million, while for the gratuity it amounts to Rs. 4.91 million.

20.1.15 All employees in managerial and supervisory categories other than workers are eligible to the pension scheme. However, the plan is closed to new members. Normal pension age is 55 years, although service after attaining the normal pension age is also pensionable. Settlement of the pension is based on the basic salary and as per the service rules. At 30 June 2018, 73 members (2017: 76 members) were covered under the pension scheme. Gratuity is for the unionised staff (non-management employees). In this case the normal retirement age is 60 years and is payable on the basis of basic salary as per service rules. At 30 June 2018, 214 members (2017: 232 members) were covered under the gratuity scheme.

20.2 Defined contribution plan

The Company has set up provident fund for its permanent employees and contributions were made by the Company to the Trust in accordance with the requirement of Section 218 of the Companies Act, 2017. Total charge against provident fund for the year ended 30 June 2018 was Rs. 14.04 million (2017: Rs. 11.47 million). Details of the provident fund as at 30 June 2018 (un-audited) are as follows:

	Note	30 June 2018 (Un-audited)	30 June 2017 (Audited)
		(Rupees in '000)	
Size of Fund - Total Assets		337,755	385,657
Cost of investments out of the Fund	20.2.1	181,993	162,042
Fair value of investments out of the Fund		315,424	370,685
Percentage of investments out of Fund - based on the fair value of investments		93%	96%

20.2.1 Break-up of Cost of Investments is as follows:

	30 June 2018 (Un-audited)		30 June 2017 (Audited)	
	(Rupees in '000)	% of Investment	(Rupees in '000)	% of Investment
Investment in Equity Collective Investment Schemes (Mutual Funds)	28,640	16	28,640	18
Investment in Listed Equity Securities (International Industries Limited - a related party)	13,569	8	13,569	8
Investment in Government Securities				
Pakistan Investment Bonds	50,825	28	50,825	31
Treasury Bills	47,761	26	28,000	17
Defence Savings Certificates	35,000	19	35,000	22
Bank Balances in profit and loss account	6,198	3	6,008	4
	181,993	100	162,042	100
Members covered in the scheme	450		432	

Above assets are invested in accordance with Section 218 of the Companies Act, 2017.

21. OTHER LONG - TERM EMPLOYEE BENEFITS

This represents accrual for staff compensated absences and includes liability in respect of key management personnel amounting to Rs. 0.27 million (2017: Rs. 0.69 million). During the year the Company decreased its provision by Rs. 0.21 million (2017 : increased by Rs. 4.55 million) which has been recognised in the profit and loss account.

22. DEFERRED TAX LIABILITY - net

	Balance as at 30 June 2016	Recognised in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	Recognised in other comprehensive income	Balance as at 30 June 2017	Recognised in profit and loss account	Recognised in surplus on revaluation of property, plant and equipment	Recognised in other comprehensive income	Balance as at 30 June [illegible]
		2017				2018			
	(Rupees in '000)								
Taxable temporary differences on									
Accelerated tax depreciation	98,776	(8,690)	-	-	90,086	(10,928)	-	-	[illegible]
Surplus on revaluation of building on leasehold land	91,610	(4,735)	-	-	86,875	(4,572)	(12,193)	-	[illegible]
Share of surplus on revaluation of land and building of the associated company	1,273	-	211	-	1,484	-	(54)	-	[illegible]
Share of profit of an equity accounted associated company	2,227	1,224	-	-	3,451	2,072	-	-	[illegible]
	193,886	(12,201)	211	-	181,896	(13,428)	(12,247)	-	[illegible]
Deductible temporary differences on									
Provision for staff retirement benefit	(8,868)	(552)	-	664	(8,756)	1,287	-	(990)	[illegible]
Provision for doubtful debts	(13,977)	(443)	-	-	(14,420)	2,441	-	-	[illegible]
Provision for slow-moving stores and spares	(1,745)	126	-	-	(1,619)	(11)	-	-	[illegible]
Provision for import levies and other provisions	(96,724)	(1,890)	-	-	(98,614)	27,011	-	-	[illegible]
	(121,314)	(2,759)	-	664	(123,409)	30,728	-	(990)	[illegible]
Deferred tax liability - net	72,572	(14,960)	211	664	58,487	17,300	(12,247)	(990)	[illegible]

22.1 Deferred tax balance has been recognised at the rates at which these are expected to be settled / realised.

23. TRADE AND OTHER PAYABLES

	Note	2018	2017
		(Rupees in '000)	
Creditors		175,743	343,281
Accrued expenses		317,079	408,344
Advances from customers		333,927	278,796
Provision for import levies	23.2	221,865	217,980
Sales tax payable		-	36,814
Workers' profit participation fund	23.3	1,073	-
Payable to staff provident fund - related party	23.4	2,829	2,118
Payable to staff pension fund - related party	20.1.2	18,586	-
Workers' welfare fund	31	6,124	11,910
Security deposits from distributors and employees	23.5	15,104	13,077
Withholding income tax payable		2,738	3,036
Others		979	982
		1,096,047	1,316,338

23.1 All the above liabilities are non-interest bearing except as disclosed in note 23.2 below.

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23.2 Provision for import levies

This represents provision for import levies on imported raw materials and machines, etc. The Company along with many other companies have filed appeal against the levy of Infrastructure Cess at the import stage levied by the Provincial Government. The case was initially decided by the High Court of Sindh in the year 2008 according to which this levy was applicable for the period from 28 December 2006 onwards while it was not applicable on consignments cleared prior to this date. The decision was challenged by both the department and the companies in the Honourable Supreme Court which referred back the matter to the High Court in the year 2011. During the year 2012, the High Court passed an interim order through which all the appellant companies were required to pay 50% of the amount involved in this respect on the consignments cleared between 28 December 2006 to 30 May 2011 and to give bank guarantees for the balance amount. Guarantees submitted for the period prior to 28 December 2006 were also to be released by the department. Further, all consignments after 30 May 2011 are being released on the basis of 50% payment in cash and 50% on furnishing of bank guarantees. This is an interim arrangement and is subject to the final order by the High Court which may be issued in due course of time. Further the Sindh Government has promulgated another version of Infrastructure Cess Act, 2017. Though practically the department has not approached the Company for the payment of addition levy, a stay order in advance has been obtained from the Sindh High Court. The Company's management, based on the legal opinion, continues to maintain provision against the above levy.

23.3 Workers' profit participation fund

	Note	2018	2017
		(Rupees in '000)	
Balance as on 01 July	15	(500)	22,591
Mark-up on funds utilized in the Company's business	30	-	1,018
Workers' profit participation fund - penalty	31	1,699	-
Allocation for the year	31	18,415	33,482
		19,614	57,091
Amount paid to the fund		(18,541)	(57,591)
Balance payable / (receivable) as at 30 June		1,073	(500)

23.4 The balance payable to the staff provident fund is for June 2018 and was paid subsequent to the year end.

23.5 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:

	Note	2018	2017
Deposits from distributors	23.5.1	5,973	5,973
Deposits from employees	23.5.2	9,131	7,104
		15,104	13,077

23.5.1 This includes security deposit from distributors under mark-up arrangements amounting to Rs. 5.0 million (2017: Rs. 5.0 million) and carries mark-up at 6% per annum.

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

24 LOANS FROM BANKING COMPANIES

	Note	2018	2017
		---------- (Rupees in '000) ----------	
Secured			
Running Musharka under Shariah arrangement		101,548	65,722
Running finance under mark-up arrangements		391,068	232,747
Running finance from banks	24.1	492,616	298,469
Short term finances under mark-up arrangement	24.2	1,278,966	278,498
Export refinance under mark-up arrangements	24.3	7,557	-
Foreign currency import finance under mark-up arrangement	24.4	-	345,028
		1,779,139	921,995

24.1 Running finance from banks

Running Musharaka under Shariah arrangement carries mark-up at 6.90% per annum (2017: 6.52% per annum) and the available facility is Rs. 400 million. At 30 June 2018, the facility unutilised was Rs.298.5 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. 2,408 million (2017: Rs. 1,850 million). Rate of mark up on these running finance facilities under mark-up arrangements ranges between 6.65% to 7.92% net of prompt payment rebate (2017: 7.02% to 7.27% per annum). These facilities will expire between 31 July 2018 to 30 June 2019 and are renewable.

24.2 Short term finances under mark-up arrangement

Amount outstanding against the short term finance facilities at 30 June 2018 amounted to Rs. 1,278.97 million (2017: Rs. 278.50 million) against the available facilities of Rs. 3,203 million (2017: 2,769 million). This includes facilities earmarked out of the total running finance facilities for Rs. 2,203 million obtained from these banks and letter of credit facilities of Rs. 401 million. Mark-up on term finance is agreed at each disbursement and at 30 June 2018, it ranged between 6.45% to 7.13% per annum (2017: 6.15% to 6.44% per annum). These are payable latest by 09 July 2018.

24.3 Export refinance under mark-up arrangements

The amount outstanding against the export refinance facility as at 30 June 2018 available from banks was Rs. 7.56 million (2017 : Nil). Rate of mark-up on export refinance facility is 3.00% per annum (2017: Nil). Total facility available under this arrangements amounts to Rs. 165 million (2017 : Rs. 115 million) which is a sub limit of above running finance limit.

24.4 Foreign currency import finance under mark-up arrangement

The amount outstanding against the foreign currency import finance facility as at 30 June 2018 available from banks was Nil (2017: Rs. 345.03 million). Total facility available under this arrangements amounts to Rs. 2,103 million (2017: Rs. 1,945 million) which is a sublimit of the above available running finance limit.

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24.5 Other facilities

Facility for opening letters of credit and guarantees as at 30 June 2018 amounted to Rs. 2,817 million including Rs. 817 million relating to the guarantees (2017 : Rs 2,530 million including Rs. 603 million relating to guarantees) of which the amount remaining unutilized as at that date was Rs. 2,323 million including Rs. 360 million relating to the guarantees (2017: Rs. 2,074 million including Rs. 249 million relating to guarantees).

24.6 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.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs. 9.41 million (2017: Rs. 1.46 million) against partial exemption of import levies.

b) Bank guarantees amounting to Rs. 457 million (2017: Rs. 354 million) have been given to various parties for contract performance, tender deposits, import levies, etc.

25.2 Commitments

a) Aggregate commitments for capital expenditure as at 30 June 2018 amounted to Rs. 36.51 million (2017: Rs. 123.94 million).

b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) as at 30 June 2018 amounted to Rs. 14.70 million (2017: Rs. 46.40 million). These are in respect of the letters of credit opened before the year end but no shipment by then had been made.

26 NET SALES

	2018	2017
	---------- (Rupees in '000) ----------	
Gross sales	11,212,554	9,481,247
Sales tax	(1,649,864)	(1,397,736)
Discount	(1,736)	-
	9,560,954	8,083,511

27 COST OF SALES

	Note	2018	2017
		--------(Rupees in '000)--------	
Opening work-in-process		476,583	351,362
Opening stock - raw material		917,039	701,986
Opening stock - scrap		35,786	18,366
		952,825	720,352
Purchases of raw material		7,527,332	6,236,429
		8,480,157	6,956,781
Sales of scrap material during the year		(241,002)	(126,255)
Closing stock - raw material		(878,375)	(917,039)
Closing stock - metal scrap		(49,748)	(35,786)
		(928,123)	(952,825)
		7,311,032	5,877,701
Stores and spares consumed		129,562	106,737
Fuel and power		202,003	209,316
Salaries, wages and benefits	27.1	447,212	395,521
Rent, rates and taxes		35,321	34,344
Insurance		7,775	7,256
Repairs and maintenance		33,447	37,190
Depreciation	6.1.4	188,173	170,607
Amortization	7.1.1	117	-
Communication and stationery		2,547	2,120
Training, travelling and entertainment		16,297	12,343
Coiling and warehousing costs		78,590	67,623
Security expense		14,728	13,669
General works		21,482	16,689
		1,177,254	1,073,415
Cost of production		8,964,869	7,302,478
Closing work-in-process		(503,424)	(476,583)
Cost of goods manufactured		8,461,445	6,825,895
Opening stock of finished goods		485,427	475,528
		8,946,872	7,301,423
Closing stock of finished goods		(523,037)	(485,427)
		8,423,835	6,815,996

27.1 Details of salaries, wages and benefits

	2018	2017
Salaries, wages and benefits	433,235	382,110
Provident fund contributions	7,701	6,450
Charge for pension fund obligation	2,331	3,154
Charge for staff retirement gratuity	3,945	3,807
	447,212	395,521

28 MARKETING, SELLING AND DISTRIBUTION COSTS

	Note	2018	2017
		--------(Rupees in '000)--------	
Salaries, wages and benefits	28.1	111,893	95,470
Rent, rates and taxes		16,133	13,507
Insurance		1,648	1,621
Repairs and maintenance		2,221	2,963
Communication and stationery		5,496	4,351
Training, travelling and entertainment		23,954	17,165
Advertising and publicity		134,049	145,022
Carriage and forwarding expenses		120,919	105,722
Commission		2,379	2,464
Depreciation	6.1.4	11,293	9,455
Subscriptions		2,009	1,262
Fuel and power		4,257	3,804
Others		2,014	3,212
		438,265	406,018

28.1 Details of salaries, wages and benefits

	2018	2017
Salaries, wages and benefits	106,920	90,688
Provident fund contributions	3,323	2,582
Charge for pension fund obligation	1,507	2,063
Charge for staff retirement gratuity	143	137
	111,893	95,470

29 ADMINISTRATIVE EXPENSES

	Note	2018	2017
Salaries, wages and benefits	29.1	163,193	147,779
Office rent		5,787	6,622
Insurance		3,412	3,836
Repairs and maintenance		9,234	5,505
Legal and professional		20,725	12,598
Donations	29.2	5,175	8,470
Auditors' remuneration	29.3	1,850	1,691
Communications and stationery		6,717	6,643
Provision for doubtful trade debts	12.2	-	1,476
Training, travelling and entertainment		6,132	5,929
Depreciation	6.1.4	9,534	11,893
Amortisation	7.1.1	5,215	5,699
Fuel and power		3,870	3,406
Others		8,058	8,573
		248,902	230,120

29.1 Details of salaries, wages and benefits

	2018	2017
	(Rupees in '000)	
Salaries, wages and benefits	159,289	144,132
Provident fund contributions	3,013	2,441
Charge for pension fund obligation	891	1,206
	163,193	147,779

29.2 Detail of donations given to a single party exceeding Rs. 500,000/- during the year are as follows:

	2018	2017
Amir Sultan Chinoy Foundation	2,000	5,000
Aga Khan Education Services, Pakistan	2,000	2,100

29.2.1 During the year donation of Rs. 2 million (2017: Rs. 3 million) was made to the Amir Sultan Chinoy Foundation. Details are as under:

Name of Director	Nature of interest	Name of Donee	Address of Donee
Mr. Fahd K. Chinoy	Common Directorship	Amir Sultan Chinoy Foundation	101, Beaumont Plaza, 10, Beaumont Road, Karachi.

29.3 Auditors' remuneration

	Note	2018	2017
		(Rupees in '000)	
Audit fee		863	784
Fee for the review of half yearly financial statements		316	288
Fee for the review of Code of Corporate Governance, dividend remittance		281	249
Out of pocket expenses & others		390	370
		1,850	1,691

30. FINANCE COSTS

	Note	2018	2017
Mark-up on finances under mark-up arrangements		92,033	33,175
Mark-up on finances under Shariah Compliance arrangement		10,708	5,446
Mark-up on finances under Export refinance		172	-
Mark-up on long-term loans under mark-up arrangements		19,125	17,874
Mark-up on workers' profits participation fund	23.3	-	1,018
Mark-up on distributors deposit		13	325
Exchange loss		3,945	1,190
Bank charges		7,620	6,592
		133,616	65,620

31. OTHER EXPENSES

	Note	2018	2017
Workers' profits participation fund	23.3	18,415	33,482
Workers' profits participation fund - Penalty		1,699	-
Workers' welfare fund		6,124	11,910
Liquidated damages for late deliveries		3,137	3,354
		29,375	48,746

32. OTHER INCOME

	Note	2018	2017
		(Rupees in '000)	
Income from non-financial assets			
- Commission income		3,939	3,927
- Sale of scrap		15,040	17,426
- Reversal of provision for Sindh Sales Tax		-	41,754
- Gain on disposal of fixed assets		2,700	2,735
- Others		654	-
		22,333	65,842
Income from financial instruments			
- Mark-up income on loans to employee		144	76
- Reversal of impairment loss on investment in associate		6,955	31,776
- Reversal of liabilities no longer payable		11,255	-
		18,354	31,852
		40,687	97,694

33. TAXATION

	Note	2018	2017
Current - for the year		33,972	199,068
- prior years - net		(12,849)	(38,313)
Deferred - due to changes in temporary differences		4,500	(15,670)
- due to change in tax rate		12,800	710
	22.1	17,300	(14,960)
	33.1	38,423	145,795

33.1 Relationship between average effective tax rate and applicable tax rate

	2018	2017
Profit before income tax	343,766	624,251
Tax at the applicable rate of 30% (2017: 31%)	103,130	193,518
Tax effect of Super Tax at applicable rate	-	17,347
Tax effect of tax credits	(56,256)	-
Tax effect of (exempt income) / expenses that are not allowable in determining the taxable income - net	(3,630)	(13,237)
Tax effect of income charged at different rate (on income chargeable to tax under the Final Tax Regime)	(267)	(2,701)
Tax effect of income charged at different rate (share of profit from associate and dividend received during the year)	(4,505)	(11,529)
Prior year tax provision - net	(12,849)	(38,313)
Tax effect of change in tax rate for future years	12,800	710
Tax charge	38,423	145,795

33.2 The income tax assessments of the Company are deemed to have been assessed up to and including the tax year 2017 while the assessments have been finalized up to and including the tax year 2015.

33.3 Return submitted under section 114 of the Income Tax Ordinance, 2001 for the tax years 2007 and 2008 were amended under section 122(5A) of the Income Tax Ordinance, 2001 by the Income Tax Officer (ITO). Expenses amounting to Rs. 84 million were disallowed by the taxation officer and were added back to income in respect of above mentioned tax years. However, as a result of the appeal filed by the Company, the Commissioner (Appeals) allowed expenses of Rs. 80 million to the Company. The department then filed appeal with the Tribunal against the decision of Commissioner (Appeals) while the Company also filed appeal with the Tribunal for admissibility of the remaining expenses of Rs. 4 million. The Tribunal allowed remaining expenses of Rs. 4 million on Company's appeal but reinstated disallowances of Rs. 74 million in respect of department's appeal. The Company has now filed appeal in the High Court against this decision and is expecting a favourable outcome of its appeal.

33.4 A notice for the tax year 2016 was received by the Company during the year indicating certain disallowances and add backs. The Company has responded to the above notice and so far no response has been received from them. The Company does not expect any material financial impact.

33.5 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 a modaraba, that derives profit for a tax year but does not distribute at least 20 percent of its after tax profits within six months of the end of the tax year through cash.

The Board of Directors in their meeting held on 17 August 2018 have recommended sufficient cash dividend for the year ended 30 June 2018 for the consideration and approval of the shareholders of the Company in the forthcoming annual general meeting which complies with the above stated requirements. Accordingly, no provision for tax on undistributed profit has been recognised in these financial statements for the year ended 30 June 2018.

33.6 The provision for current year tax represents tax on taxable income at the rate of 30% (2017: 31%). Finance Act, 2018 enacted gradual reduction in the corporate tax rates for companies from 30% (current tax rate) to 25% over a period of five years. The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

For the previous three financial years, provision of Rs. 170.27 million, Rs. 142.32 million and Rs. 85.89 million for the year ended 30 June 2017, 2016 and 2015 respectively were made by the Company. Income tax assessed / returns submitted for these years were for Rs. 184.65 million, Rs. 69.94 million and Rs. 81.63 million respectively.

33.7 Tax liability under the minimum tax regime for the current year is higher than the tax charge recognised in these financial statement by Rs. 28.13 million. Charge of this amount has not been recorded by the Company as it expects the adjustment of the above amount against the tax liability of subsequent years (as permissible in the Income Tax Ordinance, 2001).

34. EARNINGS PER SHARE - basic and diluted

	2018	2017
	--------(Rupees in '000)--------	
34.1 Profit after taxation	305,343	478,456
	(Number of shares)	
		(Restated)
Weighted average number of ordinary shares outstanding during the year	29,585	29,437
	(Rupees)	
		(Restated)
Earnings per share - basic and diluted	10.32	16.25
34.2 Earnings per share - basic and diluted - as per the number of shares issued by the Company as of the year end	10.73	16.81

The above information is additional imlformation only.

35. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	2018	2017
		--------(Rupees in '000)--------	
Profit before taxation		343,766	624,251
Adjustment for non cash charges and other items:			
- Depreciation	6.1.4	209,000	191,955
- Amortization	7.1.1	5,332	5,699
- Provision for staff retirement benefits	20.1.5	8,817	10,367
- Other long-term employee benefits	21	(207)	4,551
- Gain on disposal of fixed assets	32	(2,700)	(2,735)
- Share of profit from associate	8.2	(16,118)	(9,546)
- Reversal of impairment loss on investment in associate	32	(6,955)	(31,776)
- Finance costs	30	133,616	65,620
- Reversal of provision		-	(41,754)
- Working capital changes	35.1	(999,639)	(522,238)
		(325,088)	294,394

35.1 Working capital changes

	2018	2017
(Increase) /decrease in current assets		
- Stores and spares	(2,829)	(10,635)
- Stock-in-trade	(39,749)	(367,593)
- Trade debts	(652,794)	(298,886)
- Short-term loans and advances	(46,938)	(2,990)
- Short term deposits and payments	(11,876)	12,204
- Other receivables - net	(6,576)	(76)
	(760,762)	(667,976)
(Decrease) / increase in current liabilities		
- Trade and other payables - net	(238,877)	145,738
	(999,639)	(522,238)

36. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items:

	Note	2018	2017
		-------- (Rupees in '000)--------	
Cash and bank balances	16	572,866	52,470
Running finance from banks	24	(492,616)	(298,469)
		80,250	(245,999)

37. FINANCIAL INSTRUMENTS

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

37.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments wherever considered necessary). Cash is held only with reputable banks with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

	2018	2017
	-------- (Rupees in '000)--------	
Trade debts	1,971,710	1,318,916
Loans and advances	10,030	6,550
Deposits	36,328	30,305
Bank balances	572,559	52,131
Other receivables	9,509	2,433
	2,600,136	1,410,335

37.1.1 The maximum exposure to credit risk at the balance sheet date by geographic region was as follows:

	2018	2017
Domestic (Pakistan)	2,600,136	1,410,335

37.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

	2018	2017
	-------- (Rupees in '000)--------	
Dealers and distributors	978,492	711,942
End-user customers	993,218	606,974
	1,971,710	1,318,916

37.1.3 As at the year end the Company's most significant customers included a distributor from whom Rs. 236.16 million was due (2017: Rs. 157.38 million) and an end-user from whom Rs. 183.67 million was due (2017: Rs. 46.22 million).

37.1.4 Loans and advances and other receivables mentioned above are due from the employees of the Company / the associated company, while the deposits are held with the utilities companies, etc. All the financial assets of the Company are unsecured (except as mentioned in note 9).

37.1.5 Impairment losses and past due balances

The ageing of trade debt balances at the balance sheet date is as follows:

	2018		2017	
	Gross	Impairment	Gross	Impairment
	---------- (Rupees in '000) ----------			
Not past due	1,209,020	-	555,393	-
Past due 1-60 days	560,910	-	513,982	-
Past due 61 days -1 year	203,136	2,235	246,864	549
More than one year	46,558	45,679	50,743	47,517
	2,019,624	47,914	1,366,982	48,066

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due do not require any impairment except as provided in these financial statements. None of the other financial assets are past due or impaired. Movement of provision against trade debts is disclosed in note 12.2.

37.1.6 Settlement risk

All transactions are settled / paid for upon delivery as per the advice of the management. The Company's policy is to enter into financial instrument contract by internal guidelines such as approving counter parties and approving credits.

37.1.7 Bank balances

The Company maintain bank balances with banks having good credit rating. Currently the balances are held with banks having long term ratings of AAA {Rs. 58.29 million (2017: Rs. 47.92 million)}, AA+ {Rs. 26.36 million (2017: Rs. 4.12 million)} and A1 {Rs. Nil (2017: Rs. 0.09 million)} (as per a credit rating company).

37.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the contractual maturities of undiscounted financial liabilities, including interest payments (based on the remaining period to maturity):

2018	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	More than two years
	(Rupees in '000)					
Non-Derivative Financial liabilities						
Long term loans including mark up thereon	364,513	(416,806)	(46,736)	(45,422)	(126,642)	(198,00[illegible]
Trade and other payables	367,391	(367,391)	(367,391)	-	-	-
Short-term borrowings including mark up thereon	1,798,405	(1,798,405)	(1,798,405)	-	-	-
	2,530,309	(2,582,602)	(2,212,532)	(45,422)	(126,642)	(198,00[illegible]

2017	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	More than two years
	(Rupees in '000)					
Non-Derivative Financial liabilities						
Long term loans including mark up thereon	266,522	(302,318)	(38,881)	(42,221)	(80,975)	(140,241)
Trade and other payables	656,950	(656,950)	(656,950)	-	-	-
Short-term borrowings including mark up thereon	929,717	(929,717)	(929,717)	-	-	-
	1,853,189	(1,888,985)	(1,625,548)	(42,221)	(80,975)	(140,241)

37.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June (and includes both principal and interest payable thereon). The rates of mark-up have been disclosed in note 19 and 24 to these financial statements.

37.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

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37.3.1 Currency risk

Foreign currency risk is the risk that the value of a financial asset or liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on bank balance, borrowings and import of raw materials that are denominated in a foreign currency (primarily U.S. Dollar). The Company's exposure to foreign currency risk is as follows:

	2018		2017	
	Rupees in '000	US Dollars in '000	Rupees in '000	US Dollars in '000
Bank balance	26,114	215	4,119	39
Creditors	(14,314)	(118)	(240,624)	(2,292)
Short term borrowings	-	-	(345,028)	(3,286)
Accrued mark-up on short term borrowings	-	-	(1,113)	(11)
Exposure	11,800	97	(582,646)	(5,550)

Above exposure is payable by the Company in Rupees at the rate on which these are settled by the Company.

Following are the significant exchange rates applied during the year:

	Average rates		Balance sheet date rate	
	2018	2017	2018	2017
	(Rupees)		(Rupees)	
US Dollars	109.97	104.80	121.60	105.00

Sensitivity analysis

A five percent strengthening / (weakening) of the Rupee against US Dollar at 30 June would have increased / (decreased) profit and loss account by increase of Rs. 0.59 million (2017: decrease - Rs. 29.14 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis is performed on the same basis for 2017.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

37.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from borrowings from the banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	Carrying amount 2018	Carrying amount 2017
	(Rupees in '000)	
Fixed Rate Instruments		
Financial liabilities	7,557	345,028
Financial assets	3,977	972
Variable rate instruments		
Financial liabilities	2,129,707	839,467

Foreign currency loans bear fixed interest rate while all other borrowings bear variable interest rate and are indexed to KIBOR. Borrowing is generally determined on the basis of business needs.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and the equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss as of 30 June 2018 by Rs. 3.84 million (2017: Rs. 1.65 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

Interest rate analysis of the financial instruments

A summary of the Company's interest rate gap position, analysed by the earlier of contractual repricing or maturity date is as follows:

	2018		2017	
	Carrying value	Six months or less	Carrying value	Six months or less
	(Rupees in '000)			
Financial liability				
Borrowing from banks	2,137,264	2,137,264	1,184,495	1,184,495

However, none of the financial assets of the Company are exposed to interest rate risk except loan to an employees of Rs. 3.98 million (2017: Rs. 0.97 million) as mentioned in note 9 and not included above as it is not material. Interest rates of the above borrowings are mentioned in notes 19 and 24.

37.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2018					
	Short term borrowings used for cash management purpose (Running Finance including interest accrued)	Other Short term borrowing including interest accrued	Long term Borrowings including interest accrued	Advance against share capital	Revenue Reserve	Total
	(Rupees in '000)					
Balance as at 1 July 2017	301,678	628,039	266,522	-	1,196,023	2,392,262
Changes from financing cash flows:						
Repayment of long term loan	-	-	(64,375)	-	-	(64,375)
Proceeds from long term loan	-	-	160,000	-	-	160,000
Proceeds against subscription of right shares	-	-	-	487,905	-	487,905
Dividend paid	-	-	-	-	(146,998)	(146,998)
Changes in short term borrowings related to financing activities	-	662,997	-	-	-	662,997
Total changes from financing activities	-	662,997	95,625	487,905	(146,998)	1,099,529
Other change:						
Finance Cost	36,462	78,030	19,124	-	-	133,616
Finance Cost paid	(29,447)	(73,501)	(16,758)	-	-	(119,706)
Changes in short term borrowings	194,147	-	-	-	-	194,147
Total loan related other changes	201,162	4,529	2,366	-	-	208,057
Total equity related other changes	-	-	-	-	304,311	304,311
Balance as at 30 June	502,840	1,295,565	364,513	487,905	1,353,336	4,004,159

37.5 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to the shareholders or issue bonus / new shares.

The Company is not subject to externally imposed capital requirements.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

30 June 2018	Carrying Amount			Fair Value
Financial instruments	Loans and receivables	Other financial assets	Total	Total
	(Rupees in '000)			
Financial assets not measured at fair value				
Trade debts	1,971,710	-	1,971,710	-
Loans, advances and deposits	46,358	-	46,358	-
Other receivable	9,509	-	9,509	-
Cash and Bank balance	572,559	307	572,866	-
	2,600,136	307	2,600,443	-

30 June 2018	Carrying Amount			Fair Value
	Loans and payables	Financial liabilities	Total	Total
	(Rupees in '000)			
Financial liabilities not measured at fair value				
Long term loans	-	358,125	358,125	-
Trade and other payables	-	367,391	367,391	-
Short term borrowings	-	1,779,139	1,779,139	-
Mark-up accrued on banks borrowings	-	25,654	25,654	-
	-	2,530,309	2,530,309	-

30 June 2017	Carrying Amount			Fair Value
Financial instruments	Loans and receivables	Other financial assets	Total	Total
	(Rupees in '000)			
Financial assets not measured at fair value				
Trade debts	1,318,916	-	1,318,916	-
Loans, advances and deposits	36,855	-	36,855	-
Other receivable	2,433	-	2,433	-
Cash and bank balance	52,131	339	52,470	-
	1,410,335	339	1,410,674	-

30 June 2017	Carrying Amount			Fair Value
	Loans and payables	Financial liabilities	Total	Total
	(Rupees in '000)			
Financial liabilities not measured at fair value				
Long term loans	-	262,500	262,500	-
Trade and other payables	-	656,950	656,950	-
Short term borrowings	-	921,995	921,995	-
Mark-up accrued on banks borrowings	-	11,744	11,744	-
	-	1,853,189	1,853,189	-

The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

Non financial assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable input and fair value measurement
Revalued Property, plant and equipment			
- Land and Building	30 June 2016	The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs

39. OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

39.1 Revenue from cables & wires represents 97% (2017 : 97%) of the total revenue of the Company.

39.2 Sales represents local sales of Rs. 9,469.79 million (2017 : Rs. 8,052.03 million) and export sales of Rs. 91.17 million (2017 : Rs. 31.48 million).

39.2.1 DETAIL OF EXPORT SALES

Name of Country	2018	2017
	--------(Rupees in '000)--------	
United Arab Emirates (UAE)	53,708	4,515
South Africa	37,460	16,905
Afghanistan	-	3,536
Iraq	-	6,524
	91,168	31,480

39.3 All non-current assets of the Company at 30 June 2018 are located in Pakistan. The Company does not have any customer having sales of 10% or more during the year ended 30 June 2018 (2017: 10%).

Notes to the Financial Statements
For the year ended 30 June 2018

40. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

40.1 Remuneration of the chief executive, directors and executives

The aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive and executives of the Company were as follows:

	2018			2017 (Restated)		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
	---------- (Rupees in '000) ----------					
Managerial remuneration (including performance bonus)	55,013	13,466	124,333	49,752	2,466	99,189
House rent, utilities and others	12,996	3,921	49,116	11,221	957	35,907
Retirement benefits	-	1,193	5,049	-	432	5,744
	68,009	18,580	178,498	60,973	3,855	140,840
Number of persons	1	2	30	1	2	26

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year. The chief executive and certain executives of the Company are provided with free use of cars. The chief executive and executives are also provided with medical facilities in accordance with their entitlements.

40.2 In adddition to the above, aggregate amount charged in these financial statement in respect of fee and reimbursement of expenses to chairman and Non - Executive Directors amounted to Rs. 5.06 million (2017: Rs. 2.87 million).

41. 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. 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. Remuneration of key management personnel are in accordance with their terms of employment. Share of profit of the associated company and dividend from them are as per the profit and dividend declared by them. Other transactions are at agreed terms.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Transaction with related parties

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2018 (Rupees in '000)	2017 (Rupees in '000)
Intermark (Private) Limited	Associate	Sale of goods	896,080	790,658
		Amount due at the year-end	190,812	157,381
International Industries Limited	Associate	Sale of goods	6,410	6,200
		Purchase of goods, services & materials	240	721
		Sharing of rental office expenses	470	859
		Dividend paid	17,037	31,537
		Dividend received / receivable	2,304	6,048
		Proportionate share of changes in equity	15,983	9,549
		Amount due at the year-end	302	877
International Steels Limited	Associate	Sale of goods	85,887	7,678
		Purchase of goods, services & materials	232	1,079
		Amount due at the year-end	-	116
Amir Sultan Chinoy Foundation	Common directorship	Donation	2,000	3,000
Askari Bank Limited	Common directorship	Sale of goods	234	-
Atlas Autos (Private) Limited	Common directorship	Sale of goods	9,255	11,211
		Amount due at the year-end	-	5,591
Atlas Engineering Limited	Common directorship	Sale of goods	1,661	-
Atlas Honda Limited	Common directorship	Sale of goods	28,104	13,212
		Purchase of goods, services & materials	191	1,778
		Amount due at the year-end	10,579	765
Atlas Power Limited	Common directorship	Sale of goods	664	23
		Amount due at the year-end	480	-
Cherat Cement Company Limited	Common directorship	Sale of goods	96,601	3,260
		Amount due at the year-end	24,068	-
ICI Pakistan Limited	Common directorship	Sale of goods	42,162	30,995
		Amount due at the year-end	-	16,936
Shirazi Trading Company (Pvt) Limited	Common directorship	Sale of goods	-	1,847
G.K. Technologies Incorporated	Major shareholder	Dividend paid	-	31,500
MCB Bank Limited	Common directorship	Repayments (net)	58,464	-
		Bank Service charges & mark-up	10,692	-
		Payable with bank - net	393,600	-
Jubilee Life Insurance Company Limited	Common directorship	Insurance premium	2,639	2,000
		Insurance claim received	545	200
Pakistan Cables Limited - Staff Provident Fund	Staff retirement benefit plans	Net charge in respect of Staff retirement benefit plan	14,037	11,473
		Retirement benefit plans (net) -(Payable)/ Receivable	(18,586)	27,612

Notes to the Financial Statements
For the year ended 30 June 2018

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2018 (Rupees in '000)	2017 (Rupees in '000)
Pakistan Cables Limited - Staff Pension Fund	Staff retirement benefit plans	Net charge / (reversal) in respect of Staff retirement benefit plans	46,198	(24,270)
		Retirement benefit plans (net) - Payable	2,829	2,118
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Dividends paid	31,673	90,970
		Directors' fees	2,250	2,550
		Loan provided	-	1,296
		Loan receivable from the executive director (including interest)	666	1,039
		Directors' fee payable	50	1,350

Details of other balances with related parties are disclosed in notes 8, 12.1, 20 and 23 to these financial statements. Key management personnel of the Company comprises of the Directors, Chief Executive Officer and General Managers. Their remuneration are disclosed in note 40.1 and 40.2.

42. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as this depends on the relative proportions of the various types and sizes of cables and wires and type of aluminium sections produced.

43. NUMBER OF EMPLOYEES

The total number of employees as at year end were 489 (2017: 464) and average number of employees were 477 (2017: 460).

The total number of factory employees as at year end were 392 (2017: 377) and average number of factory employees were 386 (2017: 373).

44. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on 17 August 2018 have for the year ended 30 June 2018, proposed final cash dividend of Rs. 3.50 per share (2017: Rs. 2.00 per share) amounting to Rs. 124.52 million (2017: Rs. 56.92 million) and appropriation to general reserves amounting to Rs. 89.00 million (2017: Rs. 212.00 million) for approval by the members of the Company in the Annual General Meeting to be held on 28 September 2018. The financial statements for the year ended 30 June 2018 do not include the effect of the proposed cash dividend and appropriation to general reserves, which will be recognised in the financial statements for the year ending 30 June 2019.

Notes to the Financial Statements
For the year ended 30 June 2018

45. GENERAL

Corresponding Figures

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following major reclassifications have been made during the year other than disclosed elsewhere in these financial statements.

Description	Reclassified from	Reclassified to	2017 (Rupees in '000)
Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on face of statement of financial position)	42,693

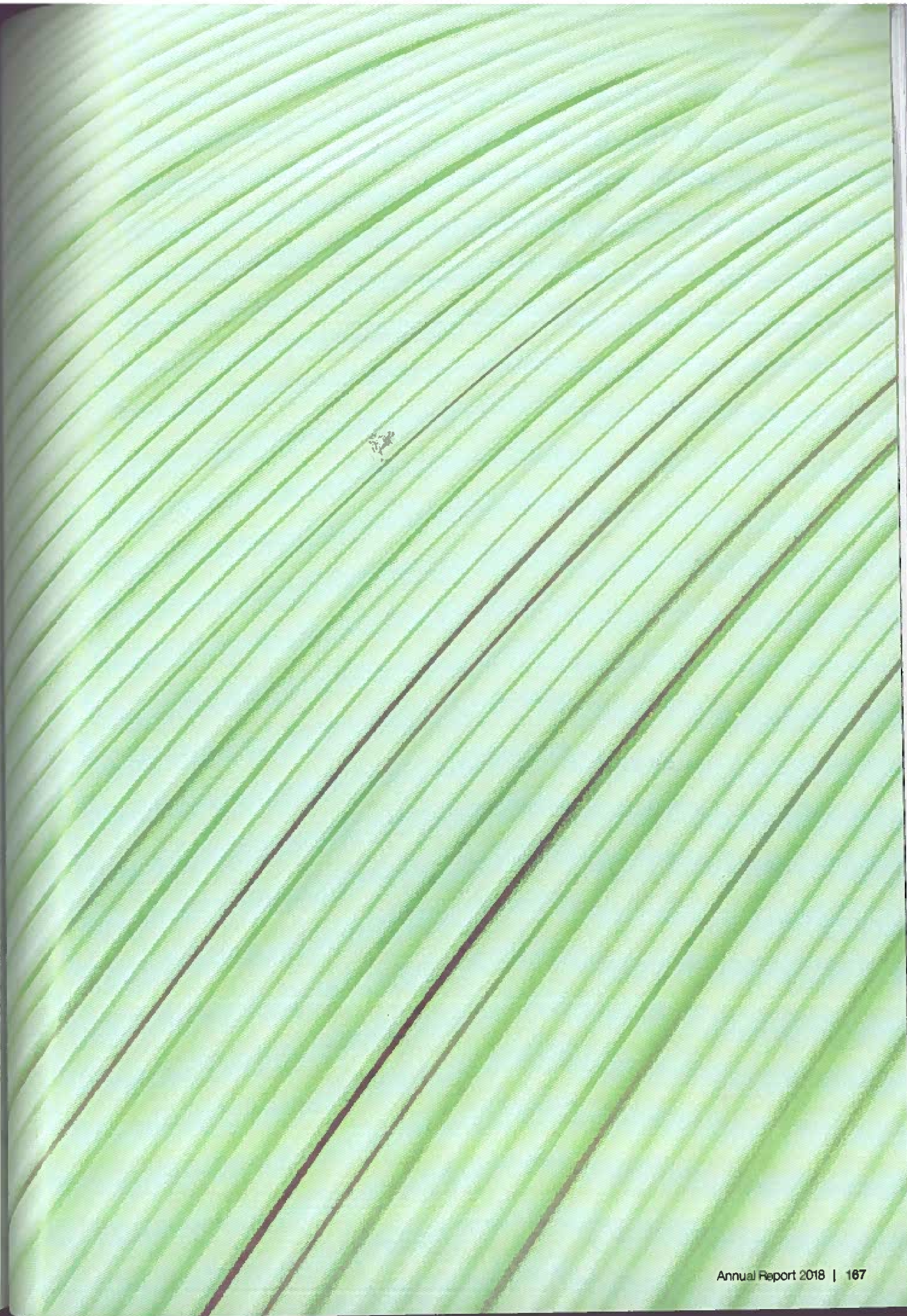
46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 17 August 2018 by the Board of Directors of the Company.

Chief Executive

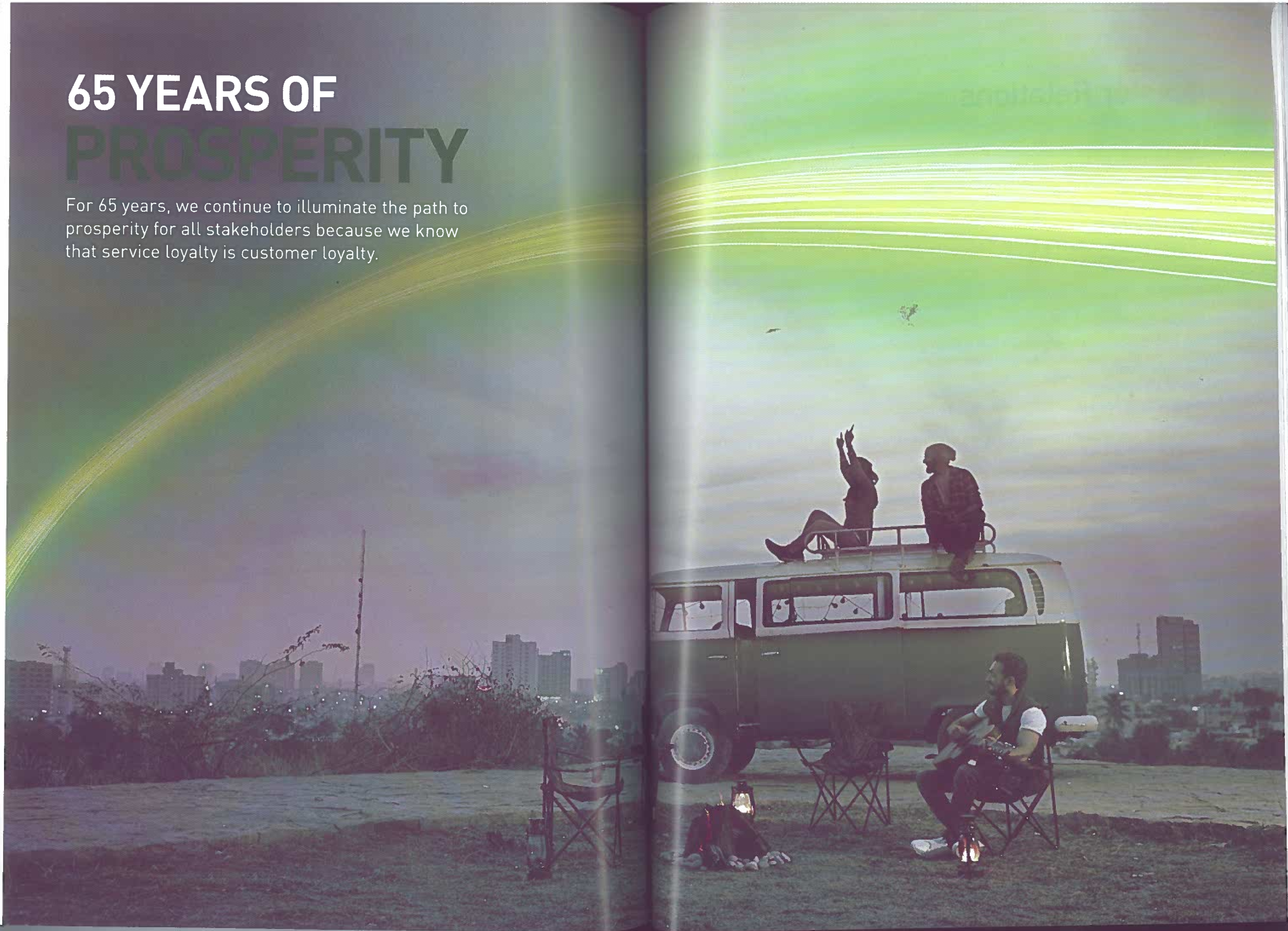
Director

Chief Financial Officer



65 YEARS OF PROSPERITY

For 65 years, we continue to illuminate the path to prosperity for all stakeholders because we know that service loyalty is customer loyalty.



Investor Relations

Registered Office
B-21 Pakistan Cables Road
Sindh Industrial Trading Estates
Karachi -75700
P.O Box 5050
Tel: +92 -21- 32561110-75
Fax: +92-21-32564614
Email: info@pakistancables.com

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

Share transfers, dividend payment and all other investor related matters are attended to and processed by the Company's Share Registrar.

Investor Relations Contact
Mr. M. Ashfaq Alam
Email: finance@pakistancables.com
Tel: +92-21-32561170-5
Fax: +92-21-32564614

Financial Calendar
The Company follows the period of July 1 to June 30 as the Financial Year.
For the Financial Year 2018-2019, financial results will be announced as per the following tentative schedule:

1st Quarter ending September 30, 2018	Last week of October 2018
2nd Quarter ending December 31, 2018	Last week of January 2019
3rd Quarter ending March 31, 2019	Last week of April 2019
4th Quarter ending June 30, 2019	Second week of August 2019

Listing
Ordinary shares of the Company are listed on the Pakistan Stock Exchange.

Stock Code
The stock code for trading in ordinary shares of the Company at the Pakistan Stock Exchange is PCAL

Statutory Compliance
The Company is in compliance with applicable provisions of the Companies Act 2017, as replaced by the Companies Ordinance 1984, as well as circulars/mandates issued thereunder, the Regulations of the Securities and Exchange Commission of Pakistan and the Listing Rules of the Pakistan Stock Exchange.

Annual General Meeting
The Annual General Meeting of the Company will be held on September 28, 2018 at 10:30 a.m. at Beach Luxury Hotel, M.T. Khan Road, Karachi.

Any shareholder may appoint a proxy to attend and vote at the meeting on his/her behalf. Proxies must be filed with the Company at least 48 hours prior to the meeting.

CDC shareholders or their proxies are requested to bring copies of their Computerized National Identity Card along with the participants ID number and their account number at the meeting in order to facilitate their identification procedure.

Book Closure
Share Transfer Books of the Company will remain closed from September 21, 2018 to September 28, 2018 (both days inclusive).

Dividend
During the year, the Company distributed Rs. 2.50 per ordinary share as the interim cash dividend and Rs. 3.50 as final cash dividend, resulting in the total cash dividend for the year equaling Rs. 6.00 per share.

Dividend Transmission
In accordance with the requirements of section 242 of the Companies Act 2017, cash dividends shall only be paid through electronic mode directly into the bank account designated by the shareholders whose names appear in the Register of Shareholders on the date of book closure.

Withholding of Income Tax and Zakat on Dividend
In accordance with the provisions of the Income Tax Ordinance 2001, the Company is required to deduct income tax at source on dividend payments in accordance with prevailing rates.

The Company is also required to deduct Zakat at source on dividend payments in accordance with prevailing rates unless appropriate undertakings/declarations are provided.

Web Presence
Updated information regarding the Company can be accessed at its website **www.pakistancables.com.** The website contains the latest financial information of the Company together with the Company's profile.

Pattern of Shareholding

As at June 30, 2018

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
928	1	100	18,770	1	205,001	210,000	205,400
416	101	500	112,642	-	210,001	295,000	-
251	501	1,000	192,604	1	295,001	300,000	298,900
355	1,001	5,000	788,698	-	300,001	365,000	-
86	5,001	10,000	617,254	1	365,001	370,000	367,000
21	10,001	15,000	254,324	-	370,001	715,000	-
16	15,001	20,000	281,797	1	715,001	720,000	719,999
6	20,001	25,000	138,839	-	720,001	750,000	-
2	25,001	30,000	55,561	1	750,001	755,000	753,200
3	30,001	35,000	99,054	-	755,001	1,705,000	-
2	35,001	40,000	76,933	1	1,705,001	1,710,000	1,706,827
2	40,001	45,000	85,143	-	1,710,001	2,005,000	-
1	45,001	50,000	50,000	1	2,005,001	2,010,000	2,009,071
-	50,001	65,000	-	-	2,010,001	2,855,000	-
2	65,001	70,000	134,419	1	2,855,001	2,860,000	2,859,492
2	70,001	75,000	145,798	-	2,860,001	3,495,000	-
1	75,001	80,000	77,713	2	3,495,001	3,500,000	6,999,999
1	80,001	85,000	81,291	-	3,500,001	4,070,000	-
2	85,001	90,000	176,554	1	4,070,001	4,075,000	4,070,555
1	90,001	95,000	91,123	-	4,075,001	4,870,000	-
-	95,001	115,000	-	1	4,870,001	4,875,000	4,873,976
1	115,001	120,000	119,440	-	4,875,001	28,462,376	-
-	120,001	205,000	-	2,111			28,462,376

Categories of Shareholders

	No. of Shareholders	No. of Shares	Percentage
Associated Companies, Undertakings and Related Parties			
International Industries Limited	1	4,873,976	17.12
Mutual Funds	10		
CDC - Trustee National Investment (Unit) Trust		1,706,827	6.00
CDC - Trustee AKD Opportunity Fund		367,000	1.29
Golden Arrow Selected Stocks Fund Limited		298,900	1.05
CDC - Trustee NIT Islamic Equity Fund		205,400	0.72
MCBFSL - Trustee AKD Islamic Stock Fund		15,500	0.05
CDC - Trustee NIT-Equity Market Opportunity Fund		11,600	0.04
CDC-Trustee NITIPF Equity Sub-Fund		5,500	0.02
CDC-Trustee NITPF Equity Sub-Fund		4,000	0.01
CDC - Trustee First Dawood Mutual Fund		700	0.00
CDC - Trustee Dawood Islamic Fund		700	0.00
Directors, Chief Executive their Spouses and Minor Children	12	10,630,056	37.35
Executives	3	8,749	0.03
Public Sector Companies and Corporations	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and and Pension Funds	11	147,276	0.52
Shareholders holding five percent or more voting rights in the Company	2	5,509,071	19.36
General Public	2,061	4,451,757	15.65
Others	11	225,364	0.79
Total	2,111	28,462,376	100.00

Highlights of the Annual General Meeting 2017

Issues/Queries	Responses	Implementation
The shareholders had inquired (with respect to a material disclosure made to the PSX) what the purpose was of the land being purchased?	The Company was looking to establish manufacturing facilities on the new land.	The Company was engaged in negotiations with land owners to try and secure the best option available.
The shareholders had inquired what the purpose of the planned capex was?	The Company shared that the planned capex was aimed at achieving greater efficiencies and adding capacity where needed.	Planned capex is ongoing on a rolling basis.
The shareholders has inquired why the Company had not attempted to secure some protection from threats of dumping?	The Company was assessing the proper timeline, requirements and entity to approach for such an endeavor and had been proactive in approaching the government via the All Pakistan Cables and Conductors Manufacturer's Association.	Assessment is on-going.
The shareholders had inquired if the painted reels they saw across the city were the Company's?	The Company had shared that it had partnered with Karachi Biennale in its "Reel on Hai" project that comprised of art fixtures created on the cable reels donated by the Company, as a social uplifting measure.	None required.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 65th Annual General Meeting of the shareholders of Pakistan Cables Limited (the "**Company**") will be held on Friday, 28th day of September 2018 at 10:30 a.m. at Beach Luxury Hotel, M. T. Khan Road, Karachi, to transact the following business:

1. ORDINARY BUSINESS

i. To confirm the minutes of the Extraordinary General Meeting held on December 21, 2017.

ii. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Reports of the Directors and Auditors thereon.

iii. To consider and approve the final cash dividend of 35%, as recommended by the Board of Directors, in addition to the 25% interim cash dividend previously announced and paid, making a total dividend of 60% for the financial year ended June 30, 2018.

iv. To appoint Auditors for the ensuing year and to fix their remuneration for the year ending June 30, 2019. The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, have retired and being eligible, have offered themselves for re-appointment. The Board of Directors recommends, based on the recommendation of the Board Audit Committee, the appointment of KPMG Taseer Hadi & Co. as auditors for the ensuing year.

2. ANY OTHER BUSINESS

To transact any other ordinary business which may legally be transacted at an Annual General Meeting, with the permission of the Chair.

By order of the Board of Directors

Nazifa Khan
Manager Legal Affairs and Company Secretary

Karachi: August 17, 2018

NOTES:

1. The Shares Transfer Books of the Company will remain closed from September 21st, 2018 to September 28th, 2018 (both days inclusive). No transfers will be accepted for registration during this period. Transfers in good order, received at the office of the Company's Share Registrar namely THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400, by the close of business on September 20th, 2018 will be considered in time for the purpose of payment of final dividend to the transferees.

2. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member of the Company.

3. The instrument appointing the proxy and the Power of Attorney or other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's Registered Office i.e. B-21, S.I.T.E., Karachi, not later than 48 hours before the time of the Meeting.

4. CDC Account Holders will have to follow the guidelines below as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan:

   A. For attending the Meeting:

      (i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.

      (ii) In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   B. For Appointing Proxies:

      (i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall submit the proxy form as per above requirement.

      (ii) The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.

      (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

      (iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.

      (v) In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

5. The Members who have not yet submitted photocopy of their valid CNIC to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400. Corporate entities are requested to provide their National Tax Number (NTN). Please give the folio number with the copy of CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. In case of non-receipt of the copy of a valid CNIC, the Company will not transmit the dividends of such shareholders to comply with the said SROs of SECP.

6. The Government of Pakistan through the Finance Act, 2018 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

   a. Rate of tax deduction for filer of income tax returns: 15.0%
   b. Rate of tax deduction for non-filers of income tax return: 20.0%

   All the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date otherwise tax on their cash dividend will be deducted @ 20.0% instead of 15.0%.

   A valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide a valid Tax Exemption Certificate to our Shares Registrar; else tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

7. For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non-Filer" status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to the Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400 in the writing as follows, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Shareholder(s):

Folio/CDC Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC	Shareholding Proportion (No. of Shares)	Name and CNIC	Shareholding Proportion (No. of Shares)

8. Shareholders are requested to notify their change of address, Zakat declaration and Tax exemption certificate (if any) immediately to the Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi - 75400. Please further note that Zakat will be deducted from dividends at source in accordance with Zakat and Ushr laws and will be deposited within the prescribed period with the relevant authority. In the event that you would like to claim an exemption, please submit, with your broker/CDC/the Company's Share Registrar, your Zakat Declaration form CZ -50 under the Zakat and Ushr Ordinance 1980 and Rule 4 of the Zakat (Deduction and Refund) Rules 1981.

9. **Electronic Transmission of Annual Report**
SECP, through its SRO 470(1)/2016 dated May 31, 2016, has allowed companies to circulate their annual accounts to shareholders through CD/DVD/USB at their registered addresses. However, any shareholder may request the Company Secretary in writing to provide a printed copy of the annual report at their registered address, free of cost.

Members are further informed that pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 regarding electronic transmission of the Company's Annual Report and AGM notice, we have uploaded the request form on the Company's website - http://www.pakistancables.com/media/2587/electronic-transmission-ar.pdf . Those members who want to avail this facility are requested to submit the duly filled request form to our Share Registrar THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi – 75400.

10. **Electronic Transmission of Dividend**
In accordance with the requirements of section 242 of the Companies Act 2017, cash dividends shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Shareholders are requested to provide their folio number, name, bank account details comprising of bank name, branch name, branch code, account number, title of account and IBAN, which they designate for crediting of their dividend. A standard form has also been placed on the Company's website - http://www.pakistancables.com/media/19095/e-dividend-mandate-form.pdf. Please ensure that such details are provided to the Company's Share Registrar THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi – 75400 and/or your broker/participant/CDC Investor account services, failing which the Company will be unable to process your dividend payment.

.8 حصص داران سے درخواست کی جاتی ہے کہ وہ اپنے پتہ میں تبدیلی، زکوٰۃ اعلامیہ اور ٹیکس سے استثنیٰ کا سرٹیفکیٹ (اگر موجود ہے) سے متعلق کمپنی کے شیئر رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40، بلاک 6، P.E.C.H.S کراچی۔ 75400 کو فوری آگاہ کریں۔ مزید نوٹ فرمائیں کہ زکوٰۃ اور عشر قوانین کے تحت حصص کی ادا شدہ قدر کے [ ] فیصد کی شرح سے منافع منقسمہ سے زکوٰۃ کی کٹوتی ہوگی اور متعلقہ اتھارٹی کو مخصوص مدت میں جمع کرائی جائے گی۔ اگر آپ استثنیٰ کا دعویٰ کرنا چاہتے ہیں تو برائے مہربانی اپنے بروکر/CDC/ کمپنی کے شیئر رجسٹرار کو زکوٰۃ اور عشر آرڈیننس 1980ء اور زکوٰۃ (کٹوتی اور واپسی) قواعد 1981ء کے تحت اپنا زکوٰۃ ڈیکلیریشن فارم CZ-50 جمع کرائیں۔

.9 سالانہ رپورٹ کی برقی منتقلی

SECP اپنے مؤرخہ 31 مئی، 2016ء کے مراسلہ نمبر SRO 470(1)/2016 کمپنیوں کو ہدایت جاری کرتی ہے کہ وہ اپنے حصص داران کو ان کے رجسٹرڈ پتہ پر بذریعہ CD/DVD/USB اپنے سالانہ کھاتے ترسیل کریں۔ تاہم، کوئی بھی حصص دار کمپنی سیکریٹری کو سالانہ کھاتوں کی مفت پرنٹ شدہ نقل کی فراہمی کی درخواست کر سکتا ہے۔

اراکین کو مزید آگاہ کیا جاتا ہے کہ کمپنی کی سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس کی برقی ترسیل کی مد میں SECP کے مؤرخہ 8 ستمبر 2014ء کے مراسلہ نمبر SRO 787(1)/2014 کی تعمیل میں ہم نے کمپنی کی ویب سائٹ http://www.pakistancables.com/media/2587/electronic-transmission-ar.pdf. پر درخواست فارم فراہم کر دیا ہے۔ ایسے اراکین جو یہ سہولت حاصل کرنا چاہتے ہیں ان کو درخواست کی جاتی ہے وہ اپنے مکمل طور پر پُر درخواست فارم ہمارے شیئر رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40، بلاک 6، P.E.C.H.S کراچی۔ 75400 کو جمع کرائیں۔

.10 منافع منقسمہ کی برقی ترسیل

کمپنیز ایکٹ 2017ء کے سیکشن 242 کی ضروریات کے تحت نقد منافع منقسمہ اہل حصص داران کے مقررہ بینک اکاؤنٹ میں بذریعہ برقی طریقہ کار ہی ادا کیا جائے گا۔ حصص داران سے درخواست کی جاتی ہے کہ وہ اپنے منافع منقسمہ کی منتقلی کے لئے مقررہ کئے گئے اکاؤنٹ کی تفصیلات بمعہ اپنا فولیو نمبر، نام، بینک اکاؤنٹ کی تفصیلات بشمول نام بینک و برانچ، برانچ کوڈ، اکاؤنٹ نمبر، اکاؤنٹ ٹائٹل اور IBAN فراہم کریں۔ کمپنی کی ویب سائٹ پر http://www.pakistancables.com/media/19095/e-dividend-mandate-form.pdf ایک معیاری فارم بھی اپ لوڈ کر دیا گیا ہے۔ برائے مہربانی یقینی بنائیں کہ یہ تفصیلات کمپنی کے شیئر رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40، بلاک 6، P.E.C.H.S کراچی۔ 75400 اور/ یا اپنے بروکر/ شراکت دار/ CDC انویسٹر اکاؤنٹ سروسز کو فراہم کر دی گئی ہیں ناکامی کی صورت میں کمپنی آپ کے منافع منقسمہ کی ادائیگی پر عمل درآمد نہ کر سکے گی۔

نوٹس:

1. پاکستان کیبلزلمیٹڈ (''کمپنی'') کی شیئرز ٹرانسفر بکس 21 ستمبر 2018ء سے 28 ستمبر 2018ء (بشمول دونوں ایام) تک بند رہیں گی۔ اس مدت کے دوران کسی بھی قسم کی منتقلی کو اندراج کے لئے قبول نہیں کیا جائے گا۔ کمپنی کے شیئرز رجسٹرار THK ایسوی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40، بلاک 6، P.E.C.H.S، کراچی۔ 75400 کو 20 ستمبر 2018ء کو کاروبار بند ہونے پر مناسب ترتیب میں وصول ٹرانسفرز کو منتقل الیہ کو حتمی منافع منقسمہ کی ادائیگی کے لئے بروقت تصور کیا جائے گا۔

2. اس اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن اپنی جگہ شرکت اور ووٹ کرنے کے لئے ایک پراکسی مقرر کرنے کا اہل ہے۔ پراکسی کمپنی کا رکن ہونا چاہئے۔

3. پراکسی کی تقرری کی دستاویز اور مختار نامہ یا دیگر اتھارٹی جس کے تحت یہ سائن کیا گیا ہے، یا تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس یعنی B-21، سائٹ کراچی میں اجلاس کے آغاز سے 48 گھنٹے قبل جمع کروائی جائے۔

4. CDC اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 26 جنوری 2000ء کو جاری کردہ سرکلر نمبر 01 میں بیان کی ہدایات کے مطابق عمل کرنا ہوگا:

A. اجلاس میں شرکت کے لئے

(i) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جس کی سیکیورٹیز اور ان کی اندراج کی تفصیلات CDC ضوابط کے تحت اپ لوڈ کی گئی ہیں، کو اجلاس میں شرکت کے وقت اپنی شناخت اپنا اصلی کمپیوٹرائزڈ شناخت کارڈ (CNIC) یا اصلی پاسپورٹ ظاہر کر کے کرنا ہوگی۔

(ii) کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط اور نامزدہ کی جائز CNIC کی تصدیق شدہ نقل (اگر یہ پہلے فراہم نہ کی گئی ہو) اجلاس کے وقت پیش کرنا ہوگی۔

B. پراکسیز کی تقرری کے لئے

(i) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جس کی سیکیورٹیز اور ان کی اندراج کی تفصیلات CDC ضوابط کے تحت اپ لوڈ کی گئی ہیں کو مذکورہ بالا ضروریات کے تحت پراکسی فارم جمع کرانا ہوگا۔

(ii) پراکسی فارم کی دو افراد گواہی دیں گے جن کے نام پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔

(iii) بینی فیشل اونر کے CNIC یا پاسپورٹ کی مصدقہ نقول اور پراکسی، پراکسی فارم کے ساتھ پیش کرنا ہوگا۔

(iv) اجلاس کے وقت پراکسی کو اصلی CNIC یا اصلی پاسپورٹ پیش کرنا ہوگا۔

(v) کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط اور کاروباری ادارہ کی جگہ پیش اور ووٹ ہونے کے لئے نامزد شخص کے جائز CNIC کی تصدیق شدہ نقل بمعہ پراکسی فارم کمپنی کو جمع کرانا ہوگی۔

5. ایسے اراکین جنہوں نے کمپنی/شیئر رجسٹرار کو اپنے جائز شناختی کارڈ کی نقل ابھی تک جمع نہیں کروائی ہے، کو ایک مرتبہ پھر یاددہانی کرائی جاتی ہے کہ وہ اپنی پہلی فرصت میں کمپنی کے شیئر رجسٹرار THK ایسوی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40، بلاک 6، P.E.C.H.S کراچی۔ 75400 کو ارسال کردیں۔ کاروباری اداروں کو درخواست کی جاتی ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) فراہم کریں۔ NTN/CNIC تفصیلات کی نقل کے ہمراہ برائے مہربانی اپنا فولیو نمبر فراہم کریں۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مورخہ 18 اگست 2011ء کے مراسلہ نمبر SRO799 (I) اور مورخہ 05 جولائی 2012ء کے مراسلہ نمبر SRO831(I)2012 کے تحت ایک حوالہ بھیجا گیا جس کے تحت منافع منقسمہ کی اطلاع میں رجسٹرڈ رکن یا مجاز فرد کا CNIC نمبر موجود ہونا چاہئے ماسوائے کم سن افراد اور کارپوریٹ اراکین کے۔ جائز CNIC کی نقل وصول نہ ہونے کی صورت میں SECP کے مذکورہ SRO کی تعمیل میں حصص داران کو منافع منقسمہ منتقل نہیں کیا جائے گا۔

6. بذریعہ فائنس ایکٹ 2018ء حکومت پاکستان نے انکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 میں مخصوص ترمیمات کی ہیں جس کے تحت کمپنیز کی جانب سے اداشدہ منافع منقسمہ پر ود ہولڈنگ ٹیکس کی کٹوتی کی مختلف شرحیں بیان کی گئی ہیں۔ محصولات کی شرح حسب ذیل ہے:

a. انکم ٹیکس ریٹرنز کے فائلر کے لئے ٹیکس کٹوتی کی شرح: 15.0 فی صد

b. انکم ٹیکس ریٹرنز کے نان فائلر کے لئے ٹیکس کٹوتی کی شرح: 20.0 فی صد

تمام حصص داران جن کے نام FBR کی ویب سائٹ پر فائلر ہونے کے باوجود ایکٹو ٹیکس پیئر لسٹ (ATL) میں درج نہ ہیں کو درخواست کی جاتی ہے وہ بک بند ہونے کی تاریخ سے قبل ATL میں اپنے نام کے اندراج کو یقینی بنائیں بصورت دیگر نقد منافع منقسمہ پر 15.0 فی صد کی بجائے 20.0 فی صد ٹیکس کٹوتی ہوگی۔

آرڈیننس کے دوسرے جدول کے حصہ چہارم کی شق 47B کے تحت ود ہولڈنگ ٹیکس سے استثنٰی کے دعوی کے لئے آرڈیننس کے سیکشن 159 کے تحت جائز استثنٰی سرٹیفکیٹ لازمی ہے۔ ایسے افراد جو مذکورہ بالا شق کی قسم شامل ہیں انہیں شیئر رجسٹرار کو جائز ٹیکس سے استثنٰی کا جائز سرٹیفکیٹ جمع کرانا ہوگا۔ بصورت دیگر آرڈیننس کے سیکشن 150 میں بیان کردہ ٹیکس شرح کے تحت منافع منقسمہ کی رقم پر ٹیکس کٹوتی ہوگی۔

7. FBR کی جانب سے جاری کردہ وضاحت کے تحت مشترکہ طور پر حصص کے حاملین حصص داران کے لئے، پرنسپل حصص داران بمعہ اپنے حصہ کے مطابق مشترکہ ہولڈرز کی ''فائلر/نان فائلر'' کی حیثیت کے مطابق ود ہولڈنگ ٹیکس کا علیحدہ علیحدہ تعین کیا جائے گا۔ اس لئے، ایسے تمام حصص داران جو حصص میں مشترکہ حصہ دار ہیں ان کو درخواست کی جاتی ہے کہ وہ بنیادی شیئر ہولڈر اور جوائنٹ ہولڈر کے مطابق اپنا علیحدہ علیحدہ شیئر ہولڈنگ پروپورشن کے متعلق کمپنی کے شیئر رجسٹرار THK ایسوی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40، بلاک 6، P.E.C.H.S کراچی۔ 75400 کو تحریری طور پر آگاہ کریں۔ بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز مساوی تعداد میں حصص کے حامل ہیں۔

فولیو/CDC اکاؤنٹ نمبر	کل حصص	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
		نام اور CNIC نمبر	شیئر ہولڈنگ حصہ (حصص کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ حصہ (حصص کی تعداد)

نوٹس | سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ پاکستان کیبلز لمیٹڈ ("کمپنی") کے حصص داران کا پینسٹھواں (65واں) سالانہ اجلاس عام مؤرخہ 28 ستمبر 2018ء بوقت صبح 10:30 بجے پیچ لگژری ہوٹل، ایم ٹی خان روڈ، کراچی میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا۔

1. عمومی امور

i. 21 دسمبر 2017ء کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔

ii. 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کی سالانہ پڑتال شدہ مالی اسٹیٹمنٹس بمعہ چیئرمین، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول کرنا، اپنانا اور زیر غور لانا۔

iii. بورڈ آف ڈائریکٹرز کی ہدایات کے مطابق 35 فی صد کے حتمی نقد منافع منقسمہ بمعہ 25 فی صد اضافی عبوری نقد منافع منقسمہ جو اعلان شدہ اور ادا شدہ ہے کو زیر غور لانا اور منظوری دینا۔ 30 جون 2018ء کو اختتام پذیر مالی سال کے لئے کل منافع منقسمہ 60 فی صد ہے۔

iv. آئندہ برس کے لئے آڈیٹرز کی تقرری اور 30 جون 2019ء کو اختتام پذیر سال کے لئے ان کا معاوضہ طے کرنا۔ حالیہ آڈیٹرز KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر اپنی دوبارہ تقرری کی پیش کش کی ہے۔ بورڈ آڈٹ کمیٹی کی سفارشات کی بنیاد پر آئندہ سال کے لئے بورڈ آف ڈائریکٹرز KPMG تاثیر ہادی اینڈ کو کی تقرری کی تجویز دیتے ہیں۔

2. دیگر امور

چیئر کی اجازت سے سالانہ اجلاس عام میں قانونی طور پر کی جانے والی کارروائی کے تحت دیگر عمومی امور پر کارروائی کرنا۔

منجانب بورڈ آف ڈائریکٹرز

ناظفہ خان

منیجر قانونی امور اور کمپنی سیکریٹری

کراچی: 17 اگست، 2018

Proxy Form

I /We ______________________________
of ______________________________
being a member of Pakistan Cables Limited hereby appoint:
______________________________ Folio No. __________
of ______________________________
______________________________ (full address)
or failing him ______________________________ Folio No. __________
of ______________________________
______________________________ (full address)
as my Proxy to attend and vote on my behalf at the 65th Annual General Meeting of the Company to be held on September 28, 2018 at 10:30 a.m. and at any adjournment thereof.

As witnessed my hands this ______________ day of __________ 2018

Please affix
Revenue Stamp
of Rs. 5/-

Signature of Member

In the presence of (signature / name and address of witnesses)
1) ______________ ______________
2) ______________ ______________

Shareholder's Folio No. ______________ No. of shares held ______________

A member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy must be a member of the company.

The instrument appointing a proxy should be signed by the member or by his attorney duly authorised in writing. If the member is a corporation, its common seal should be affixed to the instrument.

The instrument appointing a proxy, together with the Power of Attorney under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

CDC shareholders or their Proxies should bring their original National Identity Card or Passport along with the Participant's ID number and their Account Number to facilitate their identification.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Pakistan Cables Limited
B-21, Pakistan Cables Road, SITE,
Karachi-75700

پراکسی فارم

میں / ہم ____________________

ساکن ____________________

پاکستان کیبلز لمیٹڈ کے ممبر کی حیثیت سے

جناب ____________________ فولیو نمبر ____________

ساکن ____________________

____________________ (مکمل پتہ)

یا ان کی جگہ جناب ____________________ فولیو نمبر ____________

ساکن ____________________ (مکمل پتہ)

کا تقرر کرتا / کرتی ہوں کہ وہ 28 ستمبر 2018 کو یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے والے کمپنی کے 65 ویں سالانہ اجلاس عام میں میرے / ہمارے پراکسی کی حیثیت سے شرکت کریں گے اور ووٹ دیں گے۔

آج بتاریخ ____________ 2018 پراکسی ہولڈر نے دستخط کیا۔

پانچ روپے کا رسیدی ٹکٹ
چسپاں کر کے دستخط کریں

ممبر کا دستخط

درج ذیل گواہان کی موجودگی میں (گواہان کے دستخط / نام اور پتہ درج کریں)۔

1) ____________________ ____________________

2) ____________________ ____________________

شیئر ہولڈر کا فولیو نمبر ____________ تحویل میں شیئرز کی تعداد ____________

اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنی جانب سے شرکت اور ووٹ دینے کے لیے کسی دوسرے فرد کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا لازمی ہے۔

حسب ضابطہ پراکسی فارم پر ممبر یا اس کے تحریری طور پر نامزد کردہ اٹارنی کا دستخط ہونا چاہیئے۔ ممبر اگر کارپوریشن ہو تو پراکسی فارم پر اس کی باضابطہ مہر لگائیں۔

ایک پراکسی دستاویز اور پاور آف اٹارنی جس کے تحت اس پراکسی پر دستخط کیے گئے ہوں یا اس پاور آف اٹارنی کی نوٹری سے تصدیق شدہ نقل، اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کروائی جائے۔

CDC شیئر ہولڈرز یا ان کے پراکسیز اپنے اصل قومی شناختی کارڈ یا پاسپورٹ، ہمراہ شرکت کار کا آئی ڈی نمبر اور اکاؤنٹ نمبر اپنی شناخت کی تصدیق کے لیے لازمی ساتھ لائیں۔

درست ڈاک
ٹکٹ چسپاں
کریں

کمپنی سیکریٹری
پاکستان کیبلز لمیٹڈ
B-21، پاکستان کیبلز روڈ، سائٹ،
کراچی-75700

Glossary

Acronym	Description
ATL	Active Tax Payers List
BVQI	Bureau Veritas Quality International
CDC	Central Depository Company
CE	Chief Executive
CFO	Chief Financial Officer
CNIC	Computerized National Identity Card
CPEC	China Pakistan Economic Corridor
CSR	Corporate Social Responsibility
ERDA	Electrical Research and Development Association
ERP	Enterprise Resource planning
FDI	Foreign Direct Investment
FPCCI	Federation of Pakistan Chamber of Commerce and Industry
GDP	Gross Domestic Product
HCOF	High Conductivity Oxygen Free
HRMS	Human Resource Management System
HSE	Health, Safety and Environment
IEC	International Electrotechnical Commission
ISO	International Standardization Organisation
KEMA	Keuring Van Electrotechnische Materialen (Dutch: Verification of Electrical Engineering Materials; Netherlands)
KPMG	Klynveld Peat Marwick Goerdeler (KPMG Taseer Hadi & Co)
LME	London Metal Exchange
LSZH	Low Smoke and Zero Halogen
LTD	Limited
NEQ	National Environment Quality Standards
NGO	Non-Governmental Organization
NTN	National Tax Number.
OHSAS	Occupational Health and Safety Assessment
PPEs	Personal Protective equipment
PSQCA	Pakistan Standards and Quality Control Authority
PSX	Pakistan Stock Exchange
S.R.O.	Statutory Regulatory Orders
SECP	Securities and Exchange Commission of Pakistan
SUD	Schedule of Unadjusted Differences
TUV	Traditional Unionist Voice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