

FINANCIAL STATEMENT ANALYSIS OF CABLES & ELECTRICAL GOODS INDUSTRY IN PAKISTAN



Hasin Nafees Ahmed
Bismah Balouch
Aimen Zulfiqar
Nimra Haseeb
Financial Management Course Project

**QUAID-I-AZAM SCHOOL OF MANAGEMENT SCIENCES
QUAID-I-AZAM UNIVERSITY
ISLAMABAD, PAKISTAN
December, 2022**

Project Report



Pak Elektron Limited



Submitted By:

GROUP C

Hasin Nafees Ahmed (Pakistan Cables Ltd.)

Bismah Balouch (Pak Electron Ltd.)

Aimen Zulfiqar (Waves Corporation Ltd.)

Nimra Haseeb (Siemens Pakistan Engineering Ltd.)

Supervised By:

Dr. Waseem Abbas Shaheen

Assistant Professor



Quaid-i-Azam School of Management Sciences (QASMS),
Quaid-i-Azam University, Islamabad

Quaid-I-Azam School of Management Sciences

Quaid-I-Azam University, Islamabad

Original Literary Work Declaration

Name of the Candidates: Hasin Nafees Ahmed, Bismah Balouch, Aimen Zulfiqar, Nimra Haseeb

Registration No: 04152013038, 0412013017, 04152013027 and 142211029

Name of the Degree: BS Business Administration

Field of Study: Management Sciences

Title of Project (This Work): “**Financial Statement Analysis of Cables and Electrical Goods Industrials in Pakistan**”

We do solemnly declare that

- 1) We are the sole authors of this work.
- 2) This work is original.
- 3) Any use of any work in which copyright exists was done by the way of fair dealing and for permitted purposes and any extracts from, or reference to or reproduction of any copyright work has been disclosed expressly and sufficiently and the title of the work and its authorship have been acknowledged in this work.

Candidate Signature

Date

- 1.
- 2.
- 3.

Solemnly declared before,

Supervisor's Signature

Date

Name: Dr. Wasim Abbas Shaheen

Designation: Assistant Professor

ABSTRACT

This project is basically detailed analysis on the cables and electrical goods industrials in Pakistan. The four companies under consideration in this comprehensive analysis are; Pakistan Cables Ltd., Pak Elektron Ltd., Waves Corporation Ltd. and Siemens Pakistan Engineering Ltd. As a group we thoroughly analyzed and assessed five years of financial statements of above mentioned companies and made vertical analysis, horizontal, trend analysis and also calculated five-year period financial ratios which are presented in comprehensive form in this project. Data analysis helped us gain specific insights of progress made in the past five years and where it might be standing in the coming three given the conditions doesn't change that much. The only source that this entire financial management report depends on are the financial statements. These financial statements were obtained from most reliable sources mostly published online. As a group we made our very best attempt to gain as much data as possible from authentic sources. Financial statements such as balance sheet and income statement were mainly extracted from respective companies' official websites and their annual reports. If in any case income statements and balance sheets were not available on the official sites or too complex to identify, we also considered consultation from third party websites. We have also attached each and every statement that we used in this analysis in the annexure section of the data analysis chapter. The data of these companies fall in the period between 2017 and 2021 which are basically the most recent five-year period. Our whole analysis is based on the availability of the data and the circumstances that we were able to relate in those years like pandemic situation (Covid-19) and supply chain disruption etc. Analyzing these companies, we got the great deal of idea regarding how the cables and electrical goods industry works and specifically the companies which were under consideration. These companies were under great financial stress specially during last quarter of 2019 and entire 2020 almost yet they managed to squeeze through those crises and got back working on full potential. To sum up the whole thing into a precise summary we concluded that above mentioned respective companies showed positive sign of growth before global pandemic crises (2019-2020) but they managed to improve their growth rate in 2021. After descriptive analysis our group came with following recommendations such as cost effective management, smart marketing techniques and effective pricing strategy as it can play vital role in growth of cables and electrical goods industrials in coming years.

TABLE OF CONTENT

CHAPTER 1	11
INTRODUCTION	11
1.1 Project Introduction	11
1.2 What is Financial Statement Analysis and its types?	11
1.3 Cables and Electrical Goods Industrials in Pakistan	12
1.4 Factors effecting Cables and Electrical Goods Industrials	12
1.5 Pakistan Cables Ltd.	13
1.5.1 Mission Statement of Pakistan Cables.....	13
1.5.2 Vision Statement of Pakistan Cables.....	13
1.5.3 Corporate Values at Pakistan Cables	14
1.5.5 Board of Directors	14
1.5.6 Variety of Products Offered at Pakistan Cables	15
1.6 Pakistan Elektron Ltd.	16
1.6.1 Vision Statement Pak Elektron Ltd.	16
1.6.2 Mission Statement Pak Elektron Ltd.	16
1.6.3 Core Values Statement Pak Elektron Ltd.	16
1.6.4 Board of Directors	17
1.6.5 Products and Services offered at PEL	18
1.7.1 Vision Statement at Waves Corporation Ltd.	20
1.7.2 Mission Statement at Waves Corporation Ltd.	20
1.7.3 Core values at Waves Corporation Ltd.....	20
1.7.4 Corporate Objectives and Strategies at Waves Corporation Ltd.	21
1.7.5 Humble Beginning and History of Waves Corporation Ltd.	21
1.7.6 Board of Directors	22
1.8 Siemens Pakistan Engineering Co. Ltd.	23
1.8.1 Mission Statement Siemens Co. Ltd.....	23
1.8.2 Vision Statements Siemens Co. Ltd.	23
1.8.4 Products and Services at Siemens Co. Ltd.	23
1.8.5 Important Positions and BODS at Siemens Pakistan Co. Ltd.	24
CHAPTER 2	25
LITERATURE REVIEW	25
2.1 Financial Analysis & Role in Decision Making	25
2.2 Scope and Purpose	25
2.3 Horizontal Analysis	26

2.4 Vertical Analysis	27
2.5 Advantages of Vertical Analysis	27
2.6 Liquidity Ratios	28
2.6.1 Net Working Capital.....	29
2.6.2 Current Ratio	29
2.6.3 Quick (Acid-Test) Ratio	29
2.7 Activity (Asset Utilization) Ratios	30
2.7.1 Account Payable Turnover Ratios	31
2.7.2 Account Payment Period	31
2.7.3 Inventory Turnover.....	31
2.7.4 Average Age of Inventory	32
2.7.5 Account Receivable Turnover	32
2.7.6 Average Collection Period.....	32
2.7.7 Operating Cycle	33
2.7.8 Cash Conversion Cycle.....	33
2.7.9 Total Assets Turnover.....	34
2.8 Interrelationship of Liquidity and Activity to Earnings	35
2.9 Leverage Ratios	35
2.9.1 Debt Ratio.....	36
2.9.2 Debt/ Equity Ratio	36
2.10 Profitability Ratios	37
2.10.1 Gross Profit Margin	38
2.10.2 Profit Margin	38
2.10.3 Return On Investment (ROI)	38
2.11 Market Value Ratios	40
2.11.1 Earnings Per Share.....	40
2.11.2 Price/ Earnings Ratio	41
2.11.3 Book Value Per Share.....	41
2.11.4 Dividends Ratios.....	41
2.12 Overall Summary and Limitations of Ratio Analysis.....	42
CHAPTER 3	43
METHODOLOGY	43
3.1 FINANCIAL TOOLS FM PROJECT	43
3.1.1 Data Analysis Tools and Why Preferring Excel?	43
3.1.2 Use of MS Excel.....	43
3.2 Collection of Data?	44
3.2.1 Modes of Data Collection.....	44
3.3 Methodology Conclusion.....	46
CHAPTER 4	47

DATA ANALYSIS	47
4.1 What Is Data Analysis?	47
4.2 Horizontal Analysis (Pakistan Cables Ltd. 2017-2021)	47
4.2.1 Horizontal Analysis of Balance Sheet	47
4.2.2 Graphical and Tabular Illustration of Horizontal Analysis of Pakistan Cables Balance Sheet.....	50
4.2.3 Horizontal Analysis of Income Statement	51
4.2.4 Graphical and Tabular Illustration of Horizontal Analysis of Pakistan Cables Income Statement	54
4.3 Vertical Analysis (Pakistan Cables Ltd. 2017-2021)	54
4.3.1 Vertical Analysis of Balance Sheet	54
4.3.2 Graphical and Tabular Illustration of Vertical Analysis of Pakistan Cables Balance Sheet	56
4.3.3 Vertical Analysis of Income Statement	57
4.3.4 Graphical and Tabular Illustration of Vertical Analysis of Pakistan Cables Balance Sheet	59
4.4 Trend Analysis (Pakistan Cables Ltd. 2017-2021).....	60
4.4.1 Trend Analysis of Balance Sheet.....	60
4.4.2 Trend Analysis of Pakistan Cables Balance Sheet Graphical and Tabular Illustration.....	62
4.4.3 Trend Analysis of Pakistan Cables Income Statement Graphical Illustration.....	66
4.4.4 Trend Analysis of Pakistan Cables Income Statement Graphical and Tabular Illustration	69
4.5 Horizontal Analysis Pak Elektron Ltd. (2017-2021).....	71
4.5.1 Horizontal Analysis of Balance Sheet	71
4.5.2 Horizontal Analysis of Income Statement	72
4.5.3 Horizontal Analysis of PEL Balance Sheet and Income Statement Graphical and Tabular Illustration.....	73
4.6 Vertical Analysis Pak Elektron Ltd. (2017-2021)	74
4.6.1 Vertical Analysis of Balance sheet	74
4.6.2 Vertical Analysis of Income Statement	75
4.6.3 Vertical Analysis of PEL Balance Sheet and Income Statement Graphical and Tabular Illustration	76
4.7 Trend Analysis of Pak Elektron Ltd. (2017-2021)	76
4.7.1 Trend Analysis of Balance Sheet.....	76
4.7.2 Trend Analysis of Income Statement	78
4.7.3 Trend Analysis of PEL Balance Sheet and Income Statement Graphical and Tabular Illustration	79
4.8 Horizontal Analysis of Waves Corporation Ltd. (2017-2021)	80
4.8.1 Horizontal Analysis of Balance Sheet	80
4.8.2 Horizontal Analysis of Income Statement	84
4.8.3 Horizontal Analysis of Waves Corp. Balance Sheet and Income Statement Graphical and Tabular Illustration.....	86
4.9 Vertical Analysis of Waves Corporation Ltd. (2017-2021)	88
4.9.1 Vertical Analysis of Balance Sheet	88
4.9.2 Vertical Analysis of Income Statement (2017-2021)	90
4.10 Trend Analysis of Waves Corp. Ltd. (2017-2021).....	96

4.10.1 Trend Analysis of Balance Sheet and Income Statement.....	96
4.10.2 Trend Analysis of Waves Corp. Balance Sheet and Income Statement Graphical and Tabular Illustration.....	102
4.11 Horizontal Analysis Siemens Co. Ltd. (2017-2021)	103
4.11.1 Horizontal Analysis of Balance Sheet	103
4.11.2 Horizontal Analysis of Income Statement.....	104
4.11.3 Horizontal Analysis of Siemens Ltd. Balance Sheet and Income Statement Graphical and Tabular Illustration	105
4.12 Vertical Analysis Siemens Co. Ltd. (2017-2021).....	107
4.12.1 Vertical Analysis of Balance sheet	107
4.12.2 Vertical Analysis of Income Statement	108
4.12.3 Vertical Analysis of Siemens Ltd. Balance Sheet and Income Statement Tabular Illustration .	108
4.13 Trend Analysis of Siemens Co. Ltd. (2017-2021).....	110
4.13.1 Trend Analysis of Balance Sheet.....	110
4.13.2 Trend Analysis of Income Statement	111
4.13.3 Trend Analysis of Siemens Ltd. Balance Sheet and Income Statement Graphical and Tabular Illustration.....	112
4.14 Liquidity Ratios (Cables and Electrical Goods Industrials 2017-2021).....	113
4.14.1 Net Working Capital.....	113
4.14.2 Current Ratio	114
4.14.3 Quick Ratio	115
4.15 Profitability Ratio (Cables and Electrical Goods Industrials 2017-2021)	116
4.15.1 Gross Profit Ratio	116
4.15.2 Profit Margin Ratio.....	117
4.15.3 Return on Total Assets (ROTA)	118
4.15.4 Return on Common Equity	119
4.16 Activity Ratio (Cables and Electrical Goods Industrials 2017-2021)	120
4.16.1 Average Account Payable Period	120
4.16.2 Inventory Turnover	121
4.16.3 Average Age of Inventory	122
4.16.4 Account Collection Period.....	123
4.16.5 Operating Cycle	124
4.16.6 Total Assets Turnover.....	125
4.17 Market Value Ratio (Cables and Electrical Goods Industrials. 2017-2021)	126
4.17.1 Earnings Per Share.....	126
4.17.2 Price/ Earnings Per share	127
4.17.3 Price to Book Ratio.....	128
4.17.4 Dividend Yield Ratio.....	129
4.17.5 Dividend Payout	130
4.18 Leverage Ratio (Cables and Electrical Goods Industrials 2017-2021)	131

4.18.1 Debt to Equity Ratio	131
4.18.2 Times Interest Earned	132
4.18.3 Debt Ratio	133
CHAPTER 5	134
CONCLUSION.....	134
5.1 Siemens Engineering Co. Ltd.	134
5.2 Pakistan Cables Ltd.	135
5.3 Pak Elektron Ltd. (PEL)	136
5.4 Waves Corporation Ltd.....	136
CHAPTER 6	137
RECOMMENDATIONS.....	137
6.1 Siemens Engineering Co. Ltd.	137
6.2 Pakistan Cables Ltd.	138
6.3 Pak Elektron Ltd. (PEL)	139
6.4 Waves Corporation Ltd.....	139
REFERENCES	141
ANNEXURES	142
Table 1	142
Table 2	143
Table 3	144
Table 4	144
Table 5	145
Table 6	145
Table 7	146
Table 8	147
Table 9	148
Table 10	148
Table 11	149
Table 12	150
Table 13	150
Table 14	151
Table 15	151
Table 16	152
Table 17	153
Table 18	154
Table 19	154
Table 20	155

CHAPTER 1

INTRODUCTION

1.1 Project Introduction

As our honorable course teacher of “Financial Management” Dr. Waseem Abbas Shaheen has assigned us semester group project in which we have to analyze financial statements of ‘Cable and Electrical Goods Industrials in Pakistan’.

Each of the group member will work on their respectively assigned organization. As a group firstly we will collect relevant firsthand data on our respective industrial sector, organize selected data, review it, do detail data analysis on assigned organizations financial statements, merge all the findings and make comparative assessments, add authentic references, give final conclusion and recommendations at the end.

Any financial statement is known to be used in three main steps for analysis:

- The first step is to find out the relevant information from all the available data which helps in decision making.
- The second is to organize the selected information in order to emphasize on the relationships that exist between the crucial figures in a financial statement.
- The third is to draw conclusions, infer and evaluate the processed information for final results.

1.2 What is Financial Statement Analysis and its types?

It is the diagnostic and investigative study of Financial Statements in order to take logical business related decisions. FSA is phenomena of extracting raw financial information from the financial statements and turning it into usable findings that can be used to make key decisions. Each type of analysis helps decision makers in gaining little more insights on how well the company is performing. Four types of analysis are:

- Horizontal analysis
- Vertical analysis
- Trend Analysis
- Ratio analysis

1.3 Cables and Electrical Goods Industrials in Pakistan

This industry in Pakistan is manufacturing high quality and reliable electronic items which meets internationally recognized standards. Cable and electrical goods manufacturing industrials in Pakistan are well known for exporting the best quality electronic good and cables in various countries around the globe. Cable and electrical goods manufacturing industrials in Pakistan are earning good profit margin. Now days different companies in this industrial sector are offering wide range of products of various qualities which is increasing competition in this sector. To operate the electrical machinery, we also need different kinds of wires which are also manufactured by the cable and electrical goods industries at large scale. Different kinds of raw materials are required to make those wires most of which are imported from different countries. The main raw materials of cables and wires are rubber, copper, silver, aluminum etc.

1.4 Factors effecting Cables and Electrical Goods Industrials

The business operating environment remained quite challenging during last year and as a result of rupee (PKR) depreciation against the US \$ and rising commodity prices. In addition, global supply chain issues created various challenges including the impact on the availability of raw materials. Despite this, our respective companies were able to navigate through this environment by increasing sales and managing working capital and inventories and are on path of ever growing progress.

“Sales for the nine-months’ period ended March 31, 2022 stood at PRs. 15.3 billion which is 72% higher than sales for the same period of last year. Selling, Marketing and Administrative expenses and impairment loss on doubtful trade debts are PRs. 770.8 million compared to PRs. 552.2 million in same period of last year. Finance cost for the nine months’ period are PRs. 229.4 million compared to PRs. 154.0 million in the same period of last year. Gross profit for the nine-months period was recorded at PRs. 2,120.4 million.”

These are good signs that even in tough and difficult circumstances like global pandemic and supply chain disruption still cables and electrical goods related industrials in Pakistan managed to survive and are now working at full potential. (Director’s Review Pakistan Cables Ltd., 2022)

1.5 Pakistan Cables Ltd.

Pakistan Cables, the country's most trusted and reputable cable manufacturing firm was established over 5 decades ago in 1953 as a joint venture with BICC. In the subsequent six decades, Pakistan Cables has earned a reputation as a market leader and premier cable manufacturer in the country and a company that does not compromise on quality. Pakistan Cables has been listed on the Karachi Stock Exchange (KSE) since 1955. Pakistan Cables is ISO 9001:2015 and ISO 45001 certified and has had numerous cables type tested by the world renowned Netherlands based KEMA Laboratory. Pakistan Cables had an affiliation of General Cables, which is amongst the world's largest cable companies with revenue of USD 3,837 million and market value of USD 1,499 million as of March 29, 2018. General Cables has a global presence with more than 60 plants in 25+ countries including the US, Canada, France, Germany, Spain, Brazil, China, Thailand, South Africa, and the Philippines. Pakistan Cables not only provides cable related services to WAPDA, K-Electric, DISCOs and NTDC but also exports its goods and products abroad primarily Middle East and Africa. General Cables had shares in Pakistan Cables from 2010-2017.

Through foreign affiliations with leading international cable manufacturing brands the company has been able to enhance its technical skills and bring out innovative practices, effective management techniques and develop export opportunities. Today, Pakistan Cables is recognized as the pioneer within the industry owing to its own rich heritage, expertise and commitment towards consistently delivering high quality cable and wiring related products to its valued clients.

Trade mark of Pakistan Cables is, "Trusted not to compromise."

1.5.1 Mission Statement of Pakistan Cables

By fostering meaningful customer experiences, we lead with a focus on "safety, quality, sustainability and operational excellence" to maximize stakeholders' value and uphold responsibility towards society.

1.5.2 Vision Statement of Pakistan Cables

- Ignite Possibilities.
- Transform Lives.
- Instill Pride

1.5.3 Corporate Values at Pakistan Cables

- Teamwork.
- Agility.
- Passion.
- Innovation.
- Transparency.

(Mission, Vision and Corporate Values Pakistan Cables Ltd., 2022)

1.5.5 Board of Directors

Mr. Mustapha A. Chinoy

Chairman, Non Independant Non-Executive Director

Mr. Shoaib Javaid Hussain

Non Independant Non-Executive Director

Ms. Spenta Kendawella

Independant Director

Mr. Roderick Mcdonald

Non Independant Non-Executive Director

Mr. Akbar Ali Pesnani

Independant Director

Mr. Ali H. Shirazi

Non-Independant Non-Executive Director

Mr. Mazhar Valjee

Independant Director

Mr. Kamal. A. Chinoy

Executive Director

Mr. Fahd. K. Chinoy

Chief Executive Officer, Executive Director

(BODs Pakistan Cables Ltd., 2022)

1.5.6 Variety of Products Offered at Pakistan Cables

Wide range of cables and wires of different size, shape, composition and qualities are offered by Pakistan Cables Ltd.

1. Copper Rod (8mm, Oxygen free and Minimum conductivity)
2. PVC Cable Grades (Various types of insulations and sheaths)
3. Building Wire and General Wiring

Wide range of qualities:

- Solid Conductor, PVC insulated
- Stranded Conductor, PVC insulated
- Flexible Conductor, PVC insulated
- PVC insulated single core or multiple cores
- Copper wiring

4. Bare Copper Conductor (Soft/ Hard)
5. Single and Multi-Core Flexible Cables (Round/ Flat)
6. Control Cable
7. Power Cable (Low voltage/ High voltage)
8. Submersible (PVC insulated)
9. Overhead line Conductor (Insulated overhead conductor)
10. Coaxial Cables (5C-2V, RG-6 and RG-11)
11. Telephone Cables (ITC-2 Pair, ITC-3 Pair and ITC- pair)
12. Welding Cables
13. Air Field Cables
14. Automobiles Cables (Flexible Copper, PVC insulated and Rated temp of 105 C)

(Pakistan Cables Ltd., 2022)

1.6 Pakistan Elektron Ltd.

Pak Elektron Limited (PEL) is an electronics company which came into being on 3rd March 1956 in Pakistan. The company is well known in the market for manufacturing and sales of electrical goods and appliances. It is a public limited company registered under the companies act 1913. In 1978 the company was acquired by Saigol group of companies. The headquarter of PEL is situated in Lahore.

The company has always been contributing towards the improvement and advancement of its products and services as well as in engineering industry. Since its inception, PEL has introduced wide range of electric gadgets and domestic home appliances with the help of skillful engineers. Its tagline is “Change your life”.

1.6.1 Vision Statement Pak Elektron Ltd.

The company was formed with the vision of providing goods and services to its customers with continuous improvements.

1.6.2 Mission Statement Pak Elektron Ltd.

The mission is to provide good quality of products and services to the customers so that they will be satisfied and maximize returns for all stakeholders via most effective use of resources. To promote appropriate governance, corporate values, and safe operating environment with sturdy feel of social duty.

1.6.3 Core Values Statement Pak Elektron Ltd.

- Honesty and integrity
- Customer satisfaction
- Morality
- Social responsibility

(Mission, Vision and Corporate Values Pak Elektron Ltd., 2022)

1.6.4 Board of Directors

Mr. Naseem Saigol
Chairman/ Non-Executive Director

Mr. Murad Saigol
Chief Executive Officer

Mr. M.Zeid Yousaf Saigol
Executive Director

Syed Manzar Hussain
Executive Director/ CFO

Sheikh Muhammad Shakeel
Non-Executive Director

Syed Haroon Rashid
Non-Executive Director

Other respective Directors are nominated under section 182 of the Companies Ordinance, 1984:

- Mr. Usman Shahid
- Mr. Jamal Baquar
- Ms. Azra Shoaib

(BODs Pak Elektron Ltd., 2022)

1.6.5 Products and Services offered at PEL

It is one of the market leaders that provides wide range of home appliances to its customers. R&D department is working at its full capacity to design market competitive products. The high demand of PEL products in market is due to its highly efficient and cost-effective products. The company has 2 divisions i.e., Power and Appliances. Both these divisions contain wide range of products.

A. Power Division:

- Distribution Transformers

PEL is engaged in the manufacturing of distribution transformers since 1958. PEL has also introduced Smart transformers having foil winding that has the latest cooling efficient insulation and corrugated tanks with detachable radiators

- Power Transformers

PEL has introduced power transformation division in 2005. PEL is a leading strength transformer manufacturer in local marketplace.

- Energy Meters

It is an electrical device that determine the electrical power being consumed which helps the energy provider and user to control the use and production of electric energy consumption.

- Switchgears

PEL is engaged in switchgears since 1958. WAPDA electricity utilities and Private Sector including manufacturing & construction industries are major customers of Switch Gear Products.

- EPC (Engineering Procurement and Construction)

It was established in 2006. ECP contains experts with high knowledge of local as well as global market.

B. Appliances Division:

- Refrigerators

Manufacturing and sales of PEL refrigerators started in 1987 which provides best features of cooling and quality food preservation. PEL introduced over 70 product variants that contains series of various designs and features.

- Air Conditioners

PEL introduced window-type AC in 1981, later they shifted to split-type air conditioners as the consumer demand changes. PEL introduced over 40 product variants of air conditioners with respect to energy saving features.

- Deep Freezers

In collaboration with Ariston Italy the company introduced deep freezers in 1987. This product is preferred by the corporate institutions like beverages companies. PEL introduced over 15 product variants in terms of cost effectiveness.

- Microwave Ovens

PEL microWaves provide unique cooking and baking experience. PEL has introduced 13 product variants of ovens in its unique style and capacity. Each oven with wide range of baking specialty and usage within kitchen.

- Water Dispensers

Water dispensers were introduced by the PEL in 2017 to meet the market demand. The company has introduced 8 product variants in terms of their designs in accordance to ease of their customers and potential prospects.

- LED TVs

LED TVs were introduced in 2018. These TVs were categorized as conventional and smart TVs with the difference in their sizes. Smart LED TVs were introduced with advanced features of YouTube, Internet, and Netflix etc.

- Washing Machine

PEL started the production of washing machines in July 2019. The company introduced 10 product variants with the idea of saving space and outstanding performance.

1.7 Waves Corporation Ltd.

Waves Corporation Limited is a private company which specializes in the manufacturing and assembly of domestic consumer appliances along with retailing and trading of the same and other engineering products, including air conditioners, deep freezers, microwaves, ovens, refrigerators, washing machines, air conditioners, refrigerators, sewing machine, washing machines, water dispensers, water heaters. The company's plants are located in Lahore and Tehsil Pattoki, District Kasur. Waves Corporation Limited is headquartered in Lahore. Additionally, the Company is operating a nationwide set-up of 15 warehouses in cities such as Karachi, Lahore, Gujranwala, Peshawar, Multan, etc., a network of around 1,500 + dealers, approx. 16 after-sales service centers and 509 service workshops spread nationwide. The Company's sales infrastructure is comparable to any other leading Home Appliance Company operating within Pakistan. Currently it has 2500 employees working hard to make its vision come true.

1.7.1 Vision Statement at Waves Corporation Ltd.

To be an innovative company that is driven by modern ideas, committed to constantly strive for surpassing customer expectations in Quality and Value of money and to be leading company engaging in home appliances and light engineering business in Pakistan. (Mission Statement Waves Corporation Ltd., 2022)

1.7.2 Mission Statement at Waves Corporation Ltd.

To inspire customers and consumers with our innovative products and designs through R&D, improve the standard of life by offering high quality products and services at affordable prices and create and reshape the future. (Vision Statement Waves Corporation Ltd., 2022)

1.7.3 Core values at Waves Corporation Ltd.

- Excellence and Quality,
- Reliability and consistency,
- Innovation,
- Respect and team work,
- Ethics and integrity,
- Safety, health and environment.

1.7.4 Corporate Objectives and Strategies at Waves Corporation Ltd.

- Enhance Shareholders Return
- Become Price Competitive
- Broaden the Product Portfolio
- Exceed Customers Expectations
- Creating Pro-Growth Learning Organization
- Knowledge Management

1.7.5 Humble Beginning and History of Waves Corporation Ltd.

It all started in the year of 1970 when a local engineer invented the first deep freezer of Pakistan in his very own home and it became a sudden hit. The first ever successful prototype was given to a local dealer for testing purposes. In 1975, Waves made its first appearance in public and was well liked by its consumers in the market. Waves become center of attention of its consumers and buyers as its product become a personnel favorite of its users. In 1997, Waves Corporation Limited started the production of refrigerators. In 2000, split air conditioners were introduced for the first time. In 2003, it initiated cool bank technology in Pakistan. In 2005 Waves Combo was introduced in Pakistan. In 2006, Waves launched its first twin tub washing machine and in 2009, single tub washing machine was introduced in the market. In 2010, Waves pioneered in launching the first ever vertical air conditioner in Pakistan. In 2012, it started selling microwave oven in the national market which was assembled in china and Thailand. In 2013, it launched all kinds of home appliances. Waves became a pioneer in its industrial sector by being innovative. However, Waves Corporation Limited experienced a financial crisis in 2016, but it was able to get back on its feet with vigor under new ownership and management in 2017. Waves Corporation Limited was formally known as Waves Singer Pakistan Limited. The name Waves Corporation Limited came into being when Waves Singer Pakistan Limited became a merged company with the acquisition of Cool Industries (Pvt.) by the Singer Pakistan during 2017, after the scheme of merger got approved by the Sindh High Court.

Waves Corporation Limited believes that the reason behind its success is the engineer who invented the freezer in Pakistan in the first place, as it was not a company product in the start but a home project with

no limitations, as there were no boundaries regarding budget, R&D, Marketing or any other thing. A man, who tried to build a perfect product that, would be great for his own home and then the whole market. This is the foundation that WAVES is set upon and this is a vision that still beholds the brand; creating things beneficial for people at reasonable and affordable prices.

1.7.6 Board of Directors

Muhammad Adnan Afaq
(Chairman)

Haroon Ahmed Khan
(Chief Executive Officer)

Moazzam Ahmed Khan
(Independent Director)

Dr. Nighat Haroon Khan
(Independent Director)

Shoaib Dastagir
(Independent Director)

Nadeem Mehmood Butt
(Independent Director)

Muhammad Zafar Hussain
(Independent Director)

(BODs Waves Corporation Ltd., 2022)

1.8 Siemens Pakistan Engineering Co. Ltd.

Siemens opened its first office in what is now Pakistan, in 1922 in Lahore. Siemens (Pakistan) Engineering Co. Ltd. was incorporated in Pakistan in the year 1953. The company is a public limited company and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in the execution of projects under contracts and in manufacturing, sale, and installation of electronic and electrical capital goods.

Siemens Industrial Complex located in the heart of Karachi's Industrial hub the Sindh Industrial Trading Estate is a sprawling 96,500 square meters that houses not only five factories producing motors, diesel generating sets, switchboards, transformers and the recently added factory that will produce for the first time 220kV power transformers in Pakistan but also the head office of the Company.

1.8.1 Mission Statement Siemens Co. Ltd.

We make real what matters, by setting the benchmark in the way we electrify, automate and digitalize the world around us. Ingenuity drives us and what we create is yours. Together we deliver.

(Mission Statement Siemens Co. Ltd., 2022)

1.8.2 Vision Statements Siemens Co. Ltd.

“With ingenuity, we drive Electrification, Automation, and Digitalization (EAD) for Pakistan creating sustainable value for stakeholders through proximity, strong local value adds and ownership culture. We anticipate and shape market trends by being continuously innovative. We identify and develop people to have the skills to ensure growth for our company and the society. Together, we make real what matters.”

(Vision Statement Siemens Co. Ltd., 2022)

1.8.4 Products and Services at Siemens Co. Ltd.

Siemens provides wide variety of products and services in various fields such as industrial, energy and medical related areas such as transformers, power distribution boxes, switchboards, energy automations, infrastructure solutions, cross industry products, motors and alternators, hospital devices, medical technology related devices and many more as well. Such as

1) Low Voltage Power Distribution:

Such as SIVACON and ALPHA distribution systems. It provides infeed to the load.

2) Industrial Controls:

Such as SIRIUS for protecting, switching, controlling, monitoring and responding to control applications.

3) Digitalized Low Voltage Distribution:

It ensures efficient, safe and reliable power distribution all the way from planning and commissioning to ongoing operations.

4) Delta Switches and Sockets:

The switches of the DELTA Miro, DELTA Line and DELTA Style series not only offer a diverse design, but also optimal functionality.

5) GAMMA instabus (Building Control Breakers)

It provides constant light level control, ensures glare-free workplaces, lowers the cost and energy demands, highly reliable, high quality display, quickly locates location of error and minimizes installation costs.

(Siemens Co. Ltd., 2022)

1.8.5 Important Positions and BODS at Siemens Pakistan Co. Ltd.

Chairman of the Board: Mr. Manuel Keuhn

Managing Director: Mr. Markus-Erich Strohmeier

Independent Directors: Mr. Harald Griem, Mr. Oliver Spierling and Mr. Manzoor Ahmad

Independent Directors: Ms. Ayala Majid and Mr. Qazi Sajid Ali

Chief Financial Officer: Mr. Umer Jalil Anwar

Auditor: EY Forde Rhodes, Chartered Accountants

(Siemens Co. Ltd., 2022)

CHAPTER 2

LITERATURE REVIEW

2.1 Financial Analysis & Role in Decision Making

Financial statement analysis reduces reliance on hunches, guesses, and intuition for business decisions. It decreases the uncertainty of business analysis. It does not lessen the need for expert judgment but, instead, provides a systematic and effective basis for business analysis. Proper analysis and interpretation of information is crucial to good business analysis. Through it, an analyst will better understand and interpret both qualitative and quantitative financial information so that reliable inferences are drawn about company prospects and risks.

“Financial Analysis is a phenomenon in which evaluation and assessment of firm’s financial performance in both past and future is taken in to consideration.”

2.2 Scope and Purpose

It is important for interested parties like creditors, investors and managers and helps them in determining financial position of entity in relative to that of others and in future decision making.

A Financial Analyst uses the ratios to make two types of comparisons:

- Industrial comparison

The ratios of firm are compared with those of similar firms or norms to determine how the company is faring relative to its competitors.

- Trend Analysis

A firm’s present ratio is compared with its past and expected future possible ratios to determine whether the financial condition of company is improving or deteriorating over time.

(Y. A. Babalola, F. R. Abiola, 2013)

Major Types Financial Ratios:

- 1.) Horizontal Analysis
- 2.) Vertical Analysis
- 3.) Ratio Analysis

2.3 Horizontal Analysis

It is an analysis technique used to analyze financial statements by comparing specific financial information for a certain accounting period with information from other previous or older periods. Analysts use such an approach to analyze historical trends. It is basically measure of changes or trends by comparison of current year's values against base year.

“It is used to evaluate the trends in accounts over the years.”

Formulas:

Horizontal Analysis (%) = [Amount in comparison year – Amount in base year/ Amount in base year]/ 100

Or Horizontal Analysis (PRs/-) = [Amount in comparison year – Amount in base year]

Drawbacks and limitations of Horizontal Analysis:

- Accountants or Analysts of firms maybe bit biased in selecting the base year. They select base year which favors their firms in portraying better financial position.

For example, an analyst might be able get desirable results when the current period's income is compared with that of the previous quarter. However, the same results may be below par when the base year is changed to the same quarter for the previous year.

- Elements of financial information, such as liabilities, assets, or expenses, may change between different accounting periods, leading to variation when account balances for each accounting period are sequentially compared for horizontal trend analysis. (Blerona Shala, Abetare Prebreza and Berim Ramosaj, 2021)

Note:

- It is comparison of historical financial information over various accounting periods.
- This analysis technique uses a base year and comparison year to determine company's growth over the years and general trends.

2.4 Vertical Analysis

Vertical analysis is an accounting tool that enables proportional analysis of documents including that of financial statements. While performing a vertical analysis, every line item on a financial statement is entered as a percentage of another item.

“It is financial analysis in which we obtain relative sizes and weightage of various financial information and determine its overall impact. It is basically representation of each line of item on the financial statement as a percentage of base figure.”

Formulas:

Vertical Analysis (Income Statement) = [Income Statement Item/ Total Sales] x 100

Or Vertical Analysis (Balance Sheet) = [Balance Sheet Item/ Total Assets] x 100

In vertical analysis, a significant item on financial statement is used as a base value, and all other items on the financial statement is compared with values in base year. For performing vertical analysis for the balance sheet total assets is been assigned 100%. Total liabilities and stockholder's equity is also assigned 100%. In the income statement, net sales are given the value of 100% and all other accounts are evaluated in comparison to net sales.

Note:

- Unlike horizontal analysis it is basically measure of weightage or impact which each component might have on total assets and total liabilities & equity section in balance sheet and net sales in the income statement.

2.5 Advantages of Vertical Analysis

- Simplifies Correlation

Vertical analysis simplifies the correlation between each particular item on a balance sheet and the bottom line, as they are expressed in a percentage. A company's management can use the percentages to set various goals and threshold limits.

- Quickly Corresponds to Changes

It is a relatively more sensitive tool than horizontal analysis, which shows the corresponding changes in the finances of a particular unit/ account/department over a certain period of time.

- Effective Comparison

It is also highly effective while comparing two or more companies operating in the same industry but with different sizes. It is often tricky to compare the balance sheet of a \$3 billion company to one that is valued at \$1 billion in case of horizontal analysis. But in case of vertical analysis comparison of corresponding values within financial statements is quite easy and effective as compared to vertical analysis.

- Provides Useful Insights

The value of vertical analysis enables analysts to assess the company's previous performances and current financial position or growth and projects or portrays the useful insights gained into the future. (Blerona Shala, Abetare Prebreza and Berim Ramosaj, 2021)

2.6 Liquidity Ratios

It is company's ability to meet short-term obligations. It is quite essential for conducting business activities. Liquidity ratios determine how quickly a company can convert its assets and use them for meeting its obligations. The higher the ratio, the easier is the ability to clear the debts and avoid defaulting on payments. Thus we can say that analyzing corporate liquidity is quite important especially for creditors.

Types of Liquidity Ratio

- Net Working Capital
- Current Ratio
- Quick Ratio also known as Acid Test Ratio

Note:

- A good liquidity ratio can be any value that is greater than 1. It indicates that a company is having a sound financial position and can meet short-term obligations efficiently.

2.6.1 Net Working Capital

The net working capital ratio is used to determine whether a company has sufficient cash or funds to continue its operations. It is basically a safety cushion to the creditors. Net working capital is calculated by subtracting the current liabilities from the current assets.

Formula:

$$\text{Net Working Capital Ratio} = \text{Current Assets} - \text{Current Liabilities}$$

Note:

- Current Assets part of balance sheet includes cash, account receivables, marketable securities, prepaid expense and inventory only. Current liabilities part of balance sheet includes accounts payable, accrued payable and bonds payable only.

2.6.2 Current Ratio

The current ratio is equal to current assets divided by current liabilities. It is used to measure the ability of an enterprise to meet its current liabilities out of its current assets.

Formula:

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

Limitations:

- This ratio has a limitation that it may rise just prior to slight financial distress because of company's desire to improve its cash position such as by selling fixed assets. Thus, it might have differential effect upon productive capacity.
- Another limitation of current ratios is that it will be excessively high when inventory is carried out on basis of LIFO (Last in first out) basis.

2.6.3 Quick (Acid-Test) Ratio

Also referred as acid-test ratio. It is stringent test of liquidity. It is determined by dividing the most liquid current assets which are cash, marketable securities and account receivables with current liabilities.

Formula:

Quick Ratio = Cash + Marketable securities + Account receivables/ Current liabilities

Note:

- Inventory is not included because of length of time needed to convert it into cash.
- Prepaid expenses are not convertible into cash and are not capable enough to cover current liabilities.
That's why it's not included.

2.7 Activity (Asset Utilization) Ratios

It is used to determine how quickly various accounts are converted into sales or cash. It is a financial metric that is used to gauge how efficient are company's operations. Its main objective is to determine overall efficiency in regards to operations of activities.

It has total 3 phases:

- Purchase: "Also referred as procurement phase where raw materials are being bought which are essentially required in operations."
- Production: "In which production of goods by utilizing raw material that were procured."
- Sales: "This phase marks with sale related activity of manufactured goods."

Activity Ratios Subtypes with respective phases:

- Account Payable Turnover] Purchase Phase
- Account Payment Period
- Inventory Turnover] Production Phase
- Average Age of Inventory
- Account Receivable Turnover] Sales Phase
- Average Collection Period
- Operating Cycle
- Cash Conversion Cycle
- Total Asset Turnover

2.7.1 Account Payable Turnover Ratios

The accounts payable turnover ratio, also referred as creditor's turnover ratio. It is basically a measure of average number of time a business pays its creditors over an accounting period. High payable turnover ratio is more favorable as it is basically a measure of short-term liquidity.

Formula:

$$\text{Account Payable Turnover} = \text{Net Credit Purchase} / \text{Average Account Payable}$$

Note:

In some cases, Cost of Goods Sold (COGS) is used in place of net credit purchase.

2.7.2 Account Payment Period

Just like Account Payable turnover it is also part of Purchase phase. It inversely depends on Account Payable turnover. Lower the account payment period means favorable economic situation for firm to pay off its short-term debts.

Formula:

$$\text{Account Payment Period} = \text{Number of working days} / \text{Account Payable Turnover}$$

2.7.3 Inventory Turnover

Inventory turnover is a measures how many times a company turned over its inventory relative to its cost of goods sold (COGS) in a given period. The inventory turnover ratio can help businesses make better decisions on pricing, manufacturing, marketing, and purchasing.

Formula:

$$\text{Inventory Turnover} = \text{Cost of Goods Sold} / \text{Average Inventory}$$

Note:

If decline in inventory turnover is observed it indicates stocking of goods. An attempt should be made to determine whether specific type of inventory is not selling well. Perhaps goods on hand is obsolete or not worth their stated value.

2.7.4 Average Age of Inventory

Just like Inventory turnover it also deals with production phase. It is a phenomenon in which company can then divide the days in the period, typically a fiscal year, by the inventory turnover ratio to calculate how many days it takes to sell its inventory, on average.

Formula:

$$\text{Average Age of Inventory} = \frac{\text{Number of working days}}{\text{Inventory Turnover}}$$

Note:

Lesser number of days taken for inventory turnover shows favorable economic position of company.

2.7.5 Account Receivable Turnover

Accounts receivable turnover is described as a ratio of accounts receivable for a period divided by the net credit sales for that same period. It is part of third phase also termed as ‘Sales Phase’.

Formula:

$$\text{Account Receivable Turnover} = \frac{\text{Net Credit Sales}}{\text{Average Account Receivables}}$$

This ratio gives the business a solid idea of how efficiently it collects on debts owed toward credit it extended, with a lower number showing higher efficiency.

2.7.6 Average Collection Period

Average account collection period is basically number of days required by the business to collect its average accounts receivable. Accountants and analysts use this to measure how efficiently and quickly companies are able to collect the credit that they provide to their customers. A longer collection period may negatively affect the short-term debt paying ability of the business in the eyes of analysts.

Formula:

$$\text{Average Collection Period} = \frac{\text{Number of working days}}{\text{Account Receivable Turnover}}$$

Note:

More number of days taken to collect account receivables indicates serious problems in collecting from the customers. Thus, company needs to re-evaluate its credit policy, which may be too ineffective or lax.

2.7.7 Operating Cycle

It can be defined as time required or number days required for a business to put cash into its operations and then return of it back to company's cash account.

In most cases, manufacturers have operating cycles of few or several months, a few industries require very long processing times. This could result in an operating cycle that is longer than year or even more.

Operating cycle deals with both the production and selling phase of operations. Shorter operational cycle is desirable.

Formula:

$$\text{Operating Cycle} = \text{Average Age of Inventory} + \text{Average Collection Period}$$

$$\text{Or Operating Cycle} = [\text{Working days/ Inventory Turnover}] + [\text{Working days/ Account Receivable Turnover}]$$

Steps to improve or shorten Operating Cycle:

- Implement a stricter credit policy.
- Reduce the time period on payment terms.
- To quickly sell inventories as early as possible.

2.7.8 Cash Conversion Cycle

The cash conversion cycle (CCC) is a metric that expresses the time that it takes for a company to convert its investments in inventory and other resources into cash flows from sales. Also called the net operating cycle or simply cash cycle.

This measure takes into account how much time is needed by the company to sell its inventories, how much time to collect receivables and how much time to pay back the bills. Shorter cash conversion cycle is desirable.

Formula:

$$\text{Cash Conversion Cycle (CCC)} = \text{Operating Cycle} - \text{Account Payable Period}$$

$$\text{Or CCC} = [\text{Account Collection Period} + \text{Average Age of Inventory}] - \text{Account Payable Period}$$

Steps to improve or shorten Cash Conversion Cycle:

- Invest in Real Time Analytics

Real-time analytics provides accurate and timely information to help managers make better decisions for the company. Managers then use data to make ongoing adjustments in their company's accounts receivable plan.

- Encourage Earlier Payments

This can be done by offering temporary discounts, promise fast delivery and better credit terms to the customers who pay early and on time.

- Simplify Invoice

Avoid old invoicing strategy as they are quite ineffective. Try to design an invoice that is easy for clients to understand or make it customer-friendly.

- Easy Payment Methods

Such as offering multiple payment options to the clients such as by cash, credit card and online via banks. This makes it convenient for customers to sync company's payment well on time and in easy way.

2.7.9 Total Assets Turnover

It is basically measure of efficiency of the business in utilization of its assets to generate revenue.

Formula:

Total Assets Turnover = Net Sales/ Average Total Assets

Note:

A low assets turnover is unfavorable condition because of several reasons such as assets might have declined significantly or assets are getting old or depreciated quite a lot.

It can be improved by improving net sales through affective utilization of assets, replacing older assets with new one and repairing the non-functional assets etc.

2.8 Interrelationship of Liquidity and Activity to Earnings

Liquidity risks is minimized by holding greater current assets and non-current assets. However, rate of return will decline because the return on current assets is typically less than rate of return on productive fixed assets. Excessively high liquidity means that management has not searched for desirable opportunity of capital investment. Maintaining a proper balance between liquidity and return is important to overall financial health of a firm or business.

It must be kept in mind that high profitability doesn't mean better economic position. Income might be high but maturing debt and need to replace older assets.

The impact of earning activities on liquidity is highlighted by comparing cash flow from operation to net income. If accounts receivable and inventory turnover is quick, the cash received from the customers can be further invested, thus increase in net income is observed.

2.9 Leverage Ratios

An analysis on leverage concentrates on long term financial and operating structure of the business. The degree of long term debt in the capital structure is also considered. It depended on profitability since in a long run a company would not be able to meet its debts unless it is profitable.

Financial leverage ratios compare how much debt a company has incurred in relation to assets, equity and interest. When companies want to expand, grow or invest in research and development, they have two main options: finance these initiatives with debt (loans from the bank) or equity (cash from selling stock to the public). Leverage ratios are normally used to:

- Analyze the capital structure of the company
- Evaluate the ability of the company to pay interest on long term borrowings
- Plus, whether the internal equities (stockholders' funds) and external equities (creditors' funds) are in right proportion.

Different leverage ratios are

- Debt ratio
- Debt/equity ratio
- Times interest earned ratio

2.9.1 Debt Ratio

The debt ratio compares total liabilities to total assets. It shows the percentage of total funds obtained from creditors. Creditors would rather see a low debt ratio because there is greater cushion for creditor losses if the firm goes bankrupt. The debt ratio shows how well a company can pay their liabilities with their assets. The debt ratio essentially tells us what percentages of the total assets are owed in loans.

Formula:

$$\text{Debt Ratio} = \text{Total liabilities} / \text{Total assets}$$

2.9.2 Debt/ Equity Ratio

The debt/ equity ratio is a significant measure of leverage since a high degree of debt in the capital structure may make it difficult to meet interest charges and principal payments at maturity. Further, with a high debt position comes the risk of running out of cash under conditions of adversity. Another way a company can finance their expansion, growth, research and development initiatives is to sell stock to the public. This is known as equity financing.

Note:

If the ratio equals 1, Company has equally financed their assets with debt and equity. If the ratio is lower than 1, Company is financed more by stockholders or equity. If the ratio is higher than 1, Company is financed more with debt.

Formula:

$$\text{Debt to Equity Ratio} = \text{Total liabilities} / \text{Total Stockholders' Equity}$$

2.9.3 Time Interest Earned Ratio

The times interest earned ratio reflects the number of times before-tax earnings cover interest expense. It is safety margin indicator in the sense that it shows how much of a deadline in the earnings a company can absorb. The times interest earned ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.

Formula:

Interest Coverage Ratio = EBIT(Earning Before Income Tax)/ Interest Expense

Limitations

- A well-established utility will likely have consistent production and revenue, particularly due to government regulations, so even with a relatively low-interest coverage ratio; it may be able to reliably cover its interest payments. Other industries, such as manufacturing, are much more volatile and may often have a higher minimum acceptable interest coverage ratio of three or higher. These kinds of companies generally see greater fluctuation in business.
- While all debt is important to take into account when calculating the interest coverage ratio, companies may choose to isolate or exclude certain types of debt in their interest coverage ratio calculations. As such, when considering a company's self-published interest coverage ratio, it's important to determine if all debts were included.

2.10 Profitability Ratios

An indication of good financial health and how effectively the firm is being managed is the company's ability to earn a satisfactory profit and return on investment.

Investors will be reluctant to associate with an entity that has poor earning potential since the market price of stock and dividend potential will be adversely affected.

Creditors will shy away from companies with decent profitability since the amounts owed to them will not be paid. Absolute dollar profit has little significance unless it is related to its source.

Key points:

- Profitability ratios assess a company's ability to earn profits from its sales or operations, balance sheet assets, or shareholders' equity.
- Profitability ratios indicate how efficiently a company generates profit and value for shareholders.
- Higher ratio results are often more favorable, but these ratios provide much more information when compared to results of similar companies, the company's own historical performance, or the industry average.

2.10.1 Gross Profit Margin

The gross profit margin reveals the percentage of each dollar left over after the business has been paid for its goods. The higher the gross profit earned, the better. Gross profit equals net sales less cost of goods sold.

Formula:

$$\text{Gross Profit Margin} = \text{Gross Profit} / \text{Total Revenue}$$

Key notes:

- The gross profit margin shows the amount of profit made before deducting selling, general, and administrative costs, which is the firm's net profit margin.

2.10.2 Profit Margin

The ratio of net income to net sales is called profit margin. It indicates the profitability generated from revenue and hence is an important measure of operating performance. It also provides clues to a company's pricing, cost structure, and production efficiency.

Formula:

$$\text{Profit Margin} = \text{Net Income} / \text{Net Sales}$$

Key notes:

- Profit margins are used by creditors, investors, and businesses themselves as indicators of a company's financial health, management's skill, and growth potential.

2.10.3 Return On Investment (ROI)

Return on investment is a key, but rough, measure of performance. Although return on investments shows the extent to which earnings are achieved on the investment made in the business, the actual value is actually somewhat distorted.

Formula:

$$\text{Return of Investment (ROI)} = \text{Net Return} / \text{Cost of Investment}$$

Key notes:

- Return on investment (ROI) is an approximate measure of an investment's profitability.
- One disadvantage of ROI is that it doesn't account for how long an investment is held.

There are two ratios that evaluate the return on investment.

- Return on total assets
- Return on equity

Return on Total Assets

The return on assets indicates the efficiency with which management has used its available resources to generate income.

Return on Total Assets = Net Income/ Average Total Assets

Key notes:

- Return on assets is a metric that indicates a company's profitability in relation to its total assets.
- It's always best to compare the ROA of companies within the same industry because they'll share the same asset base.

Return on Common Equity

The return on common equity measure the rate of return earned on the common stockholders' investment.

Return on Common Equity = Earnings available to Common stockholder's/ Average Stockholder's Equity

Key notes:

- ROE is a gauge of a corporation's profitability and how efficiently it generates those profits.
- The higher the ROE, the better a company is at converting its equity financing into profits.
- ROEs will vary based on the industry or sector in which the company operates.

2.11 Market Value Ratios

Market value ratios are used to evaluate the current share price of a publicly-held company's stock. These ratios are employed by current and potential investors to determine whether a company's shares are over-priced or underpriced. Market value ratios give management an idea of what a firm's investors think of its performance and future prospects. Market value ratios are also used to analyze stock trends. It measures and analyzes the prices of the stocks and compares the market prices with the peer industries and against other facts and figures. These ratios check the financials of the public companies which are traded in the secondary market to understand their financial position, whether the stocks are rightly valued or not, and at what price shares should be bought or sold.

Key points:

- Market value ratios give insights to an investor about share prices and the financial efficiency.
- Market value ratios help one gain specific insights on current market trends.
- They can be used to determine which undervalued or overvalued shares are likely to change performance in the future.

2.11.1 Earnings Per Share

Earnings per share indicate the amount of earnings for each common share held. It is calculated as the reported earnings of the business, divided by the number of shares outstanding. When preferred stock does not exist, as with the case of a ratio company, earnings per share is equal to net income divided by the common share outstanding. Earnings per share are a useful indicator of the operating performance of the company as well as of the dividends that may be expected.

Formula:

$$\text{Earnings per share} = (\text{Net Income} - \text{Preferred Dividends}) / \text{Common stock Outstanding}$$

Note:

This ratio shows the earnings of the company in a particular period, with respect to the outstanding number of shares that the company has during that period.

2.11.2 Price/ Earnings Ratio

Price/ earnings ratio evaluates the enterprise relationship with its stock holders. The often quoted price/earnings ratio is equal to the market price per share of stock divided by the earnings per share. A high price/ earnings multiple is good because it indicates that the investing public considers the company in favorable light.

Formula:

$$\text{P/E Ratio} = \text{Market price per share} / \text{Earnings per share}$$

2.11.3 Book Value Per Share

Book value per share is net assets available to common stockholders divided by share outstanding, where net assets is stockholder's equity minus preferred stock. Comparing book value per share to market value per share gives another indication of how investors regard the firm. This ratio provides a benchmark to check if the market value of each share is high or low, which can then be analyzed to make buying and selling decisions. It compares the market price and book value of a share to determine how close they are.

Formula:

$$\text{Book value per share} = (\text{Stockholder's - preferred stock}) / \text{Common stock outstanding}$$

2.11.4 Dividends Ratios

Many investors are primarily interested in receiving dividends. The ratios are

Dividend Payout

The dividend payout ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. It is the percentage of earnings paid to shareholders via dividends. The amount that is not paid to shareholders is retained by the company to pay off debt or to reinvest in core operations.

Formula:

$$\text{Dividends payout} = \text{Dividends per share} / \text{Earnings per share}$$

Dividend Yield

Dividend yield is calculated by dividing the total dividends paid per year by the market price of the stock. It is one of the most important market value ratios as it calculates the return on investment for investors if they wish to buy shares at the current market price.

It helps in measuring the dividend amount distributed in a year against the number of outstanding shares. Investors can then decide whether they want to invest in shares that pay certain dividends against the current market price of the share.

Formula:

$$\text{Dividend yield} = \text{Dividends per share} / \text{Market price per share}$$

2.12 Overall Summary and Limitations of Ratio Analysis

Generally, analysts tend to biased and favor certain ratios. A banker is usually concerned with firm's liquidity in order to extend short term loan. On another hand, a long term creditor has more interest in entity's earning power and operating efficiency as criteria to pay off the debt at its maturity. Stockholder's are interested in long run profitability of the firm as that is basis for dividends and appreciation in market price of stock. Management, is usually interested in all aspects of financial analysis since they are concerned with how firm's looks to both the investment and credit.

Ratio analysis and its limitations:

- Many large firms are engaged in multiple lines of business so it becomes quite difficult to the industry group to which firm belongs. Comparing with that of competitors becomes difficult.
- Inflation is not taken into account within financial statements but instead it is based upon historical records.
- Operating and accounting practices differ from firm to firm, which can create distortion and confusion. Such as use of different depreciation method and inventory valuation (LIFO and FIFO) could affect inventory and asset turnover ratios.
- Management usually overstates or exaggerate the figures in financial statements. Thus, accuracy of certain ratios might be questionable.

CHAPTER 3

METHODOLOGY

3.1 FINANCIAL TOOLS FM PROJECT

3.1.1 Data Analysis Tools and Why Preferring Excel?

There are various tools for data analysis such as:

- SQL
- R Programming
- Power BI
- Python
- Tableau
- SAS
- Java
- MS. Excel

Although there are various tools used for data analysis as mentioned above but in this project we will only use Microsoft Excel. As MS. Excel is widely available, everyone has free access to it and is easy to use due to these reasons we as a group used Excel as our data analysis tool in this project. In this project we will use MS. Excel for analyzing, accessing and modelling useful insights and information related to financial statements. Vertical, horizontal, ratio and trend analysis of 5 accounting years from 2017-2021 have been graphically illustrated using Microsoft Excel in order to get detailed analysis regarding financial position of respectively assigned organizations and firms.

3.1.2 Use of MS Excel

Through effective utilization of financial tools in MS. Excel, firstly we will insert financial data in tables and implement above mentioned analytical tools. Next we will create interactive bar, pie, cluster and line charts on MS. Word based on information we extract from analytical tools via MS. Excel. Lastly, based on results and findings we will critically analyze and evaluate financial position of our respectively allotted industries, make comparative financial analysis in order to reach solid conclusion.

3.2 Collection of Data?

Collection of Data:

“It is a methodological process of gathering data about a particular subject”. It’s crucial to ensure that data gathered is complete and legal and ethical values are taken into consideration during collection phase. If these values are not taken into consideration while gathering data, then data gathered would be impartial, will lack authenticity and accuracy. In general, there are two types of data collection:

- Primary Data, which is collected first-hand or directly from the source.
- Secondary Data, which is collected from already published or available data.

Primary data (which is to be explored by person himself) is more valuable or authentic because one receives information regarding how their audience behaves, thinks, and feels without any involvement of 3rd party. Secondary data is published by an expert in a particular field based on his/her factual findings. Data can be qualitative (contextual in nature) or quantitative (numeric in nature).

3.2.1 Modes of Data Collection

In our case, we will collect both the quantitative and qualitative financial data regarding our respectively assigned organizations. As we are not bound to visit organizations in order to collect financial data. So, we will preferably collect data from secondary sources (published online by organizations in their financial statements). As most of the data is available on the internet. Our group have thoroughly gone through all authentic data available to us online. The data which we have gathered is of the past five years’ period, which we will use to analyze, form correct opinions and recommendations based on it. Before collecting data, we considered various factors which are as follows:

- To address a specific aim.
- Collection timeframe.
- Best suited data collection method.

To Address a Specific Aim

As a group our main aim is to address, critically access financial statements of ‘Cable and Electrical Goods Industrials in Pakistan’, make comparative analysis and to reach a solid conclusion. Based on our main purpose we set a proper schedule or timeframe regarding data collection and later on select the most effective data collection method.

Collection Timeframe

In first 2 chapters of Financial Statements we laid the groundwork of our project related to introduction of our respective industries and explanation of financial ratios. In next phase, we will do data analysis of our respective industries so before doing it. Firstly, we will have to gather, process and manage financial information within 2 weeks’ timeframe because ‘Data Analysis’ task is due by 27th November, 2022. Collection and gathering of data is quite vital phase which takes some time and lays foundation for accurate analysis before reaching or interpreting a final conclusion.

Best Suited Data Collection Method

There are various data collection methods but best suited for this project are as follows:

- I. Online Monitoring.
- II. Observation of Reports.

But as mentioned above that we are going to use secondary source of data to extract our financial information. As a group we are going to observe and monitor annual financial reports published by the organizations assigned to us. While observation procedure of data collection is less accessible than other data collection methods, yet it enables one to get accurate and complete financial information published online by the organizations. Observation helps in providing highly accurate qualitative and quantitative information which we will use to analyze, make comparative analysis and to reach solid conclusion. (Harvard Business School, 2022)

3.3 Methodology Conclusion

After data generation, we will collect the data as a team. After that, we will process, store, manage, analyze, and creatively visualize it in order to make comparative assessments of industrial firms which are part of ‘Cable and Electrical Goods Industrials in Pakistan’.

Data collection is an integral part of analyzing and making comparative assessments about industrial firms; it basically enables us to ensure the data’s accuracy, completeness, and relevance in regards to organizations financial performances and perceived position. The information gathered allows us as an analyst to analyze past strategies, procedures, stay alert on what needs to change and what recommendations we can offer for further improvements and to rectify past mistakes. Valuable insights gained from data can create hyperawareness regarding organization’s efforts and gives analyst an actionable remedy to improve various strategies such as altering financial strategies to assessing customer complaints. Not only reaching financial annual targets but also trying to retain existing customers by addressing their issues.

If analysis and decisions are based on baseless and inaccurate data then it can lead to wide-range of negative consequences, so it’s quite important to be able to work as a team during effective data collection. As a group we will ensure and do our best to collect maximum amount of information, which is accurate, relevant, vital and complete enough to offer us deep insights. Next, we will adopt the best possible method in order to collect data which is through observation and by monitoring financial information officially published by firm’s like Pakistan Cables Ltd., Pakistan Elektron Ltd., Waves Corporation Ltd. and Waves Home Appliances as it will help us in making comparative assessments and analysis among each other thus reaching to solid conclusion with powerful recommendations.

CHAPTER 4

DATA ANALYSIS

4.1 What Is Data Analysis?

It is phenomena in which cleaning, creating, transforming and modelling of useful information helps in gaining specific insights which plays vital role in business related decision making. Data Analysis helps in predicting future possibilities and past performances. This in result helps in implementing best possible decision in current given scenario and situation.

4.2 Horizontal Analysis (Pakistan Cables Ltd. 2017-2021)

4.2.1 *Horizontal Analysis of Balance Sheet*

Main components of Pakistan Cables Ltd. balance sheet are:

- Current Assets and Non-Current Assets (Total Assets Portion)
- Current Liabilities, Non-Current Liabilities and Share Capital & Reserves (Total Liabilities and Stockholder Equity Portion)

Current Assets

Current assets comprise of stores and spares, stock in trade, trade debts, short-term loan and advances, short-term deposits and prepayments, other receivables, advance tax - net of provision and cash/ bank balance etc.

Change over the years and future prediction:

Horizontal growth of 44.32 % was observed in 2021-20, (15.60%) in 2020-19 and 1.95% in 2019-18, 37.82% in 2018-17 and 20.88% in 2017-16. In future, if global economic recession and inflation remains stable than growth rate of current assets will remain steady.

Reasons of change:

Current assets declined in 2020 because of depletion short term deposits and short term loans/advances which are considered as one of the major source of capital to operate business.

Non-Current Assets

Non-current assets comprise of property, plants, equipment, intangible assets, right of use of assets, investments in associated companies, long-term receivables and long-term deposits etc.

Change over the years and future prediction:

Horizontal growth of 17.90% was observed in 2021-20, 22% in 2020-19, 50.76% in 2019-18, 1.93% in 2018-17 and 4.80% in 2017-16. Steady growth trajectory is observed in non-current assets valuation from accounting period of 2016-2021. Prediction for the future is that in coming years' non-current assets will grow at steady rate.

Total Assets

Changes over the years and future prediction:

Horizontal growth of 31.06% was observed in 2021-20, decline by (0.17%) in 2020-19 and growth of 17.58% in 2019-18, 23.86% in 2018-17 and 14.07% in 2017-16. If global economic recession and inflation is controlled than we can expect steady growth in total assets.

Reasons of change:

Main reason behind depletion of current assets is due to decline in short term deposits and loans/advances which are one of the major source of capital to operate business. Assets declined by (0.17%) in year 2020.

Non-Current Liabilities

Non-current liabilities comprise of long-term borrowings, lease liabilities, deferred liability for staff gratuity, long term employees benefit and deferred tax liability etc.

Changes over the years and future predictions:

In 2021-20 non-current liabilities had 5.67% horizontal growth in comparison to previous year, (5.96%) in 2020-19 and 101.38% in 2019-18, 30.73% in 2018-17 and (10.90%) in 2017-16.

Reasons of change:

In year 2017 and 2020 negative horizontal growth of (10.90%) and (5.96%) was observed specifically due decrease in deferred tax liability which they paid more in previous accounting years.

Current Liabilities

Current liabilities comprise of short term loans from banking companies, trade and other payables, current portion of lease liabilities, current portion of long term borrowings, contract liabilities, unclaimed dividends and markup accrued on bank borrowings etc.

Changes over the years and prediction for the future:

Current liabilities showed positive growth trajectory in accounting years from 2016-2021. Horizontal growth of 69.81% was observed in year 2021-20, 5.30% in 2020-19, (9.51%) in 2019-18, 26.99% in 2018-17 and 35.51% in 2017-16. Due to rise in global inflation and economic recession we can expect current liabilities to rise in coming years.

Reasons of change:

This excessive rise in current liabilities 2021-20 is due to rise in trade and other payables, short term loan from banking companies and contractual liabilities and it declined in 2020-19 due decline in trade and other payables, short term loan from banking companies and contractual liabilities.

Total Liabilities

Changes over the years and prediction for the future:

Just like current and non-current liabilities, total liabilities also increased with each passing accounting year. Horizontal growth trajectory of total liabilities was 55.83% in 2021-20, 2.62% in 2020-19, 4.12% in 2019-18, 27.44% in 2018-17 and 27.86% in 2017-16. Due to rise in global inflation and economic recession we can expect total liabilities to rise in coming years.

Reasons of change:

This excessive rise in total liabilities in 2021 clearly indicates abrupt rise in short-term loan from banks, long-term borrowings, contract liabilities and trade payables etc.

Share Capital Reserves/ Total Equity

Capital reserves and total equity includes revaluation surplus on property and share premium reserves, revenue reserves such as general reserves and unappropriated profit/ loss and issued paid up capital.

Changes over the years and predictions for the future:

Horizontal growth trajectory of 12.13% in 2021-20, (2.21%) in 2020-19, 29.80% in 2019-18, 20.78% in 2018-17 and 4.38% in 2017-16. Overall stable growth occurs in share capital reserves in accounting period from 2016-2021. If global economic recession is controlled than we can expect steady growth in total equity.

Reasons of change:

Decline in capital reserves in 2020 is due to Covid-19 adverse impact.

Total Equity and Liabilities

Changes over the years and prediction for the future:

Horizontal growth of 31.06% was observed in 2021-20, (0.17%) in 2020-19 and 17.58% in 2019-18, 23.86% in 2018-17 and 14.07% in 2017-16. We can expect rise in total equity and liabilities due to rise in global inflation due to disruption of supply chain.

Reasons of change:

Decline in total equity and liabilities in accounting year of 2020 is due excessive decline in both share capital reserves and non-current liabilities in 2020.

4.2.2 Graphical and Tabular Illustration of Horizontal Analysis of Pakistan Cables Balance Sheet

	2021 Rs. in M	2021 vs 2020 %age	2020 Rs. in M	2020 vs 2019 %age	2019 Rs. in M	2019 vs 2018 %age	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M	2016 vs 2015 %age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4,779	17.51	4,066	20.34	3,379	54.57	2,186	0.92	2,166	3.64	2,090	31.41
Right-of-use assets	52	(34.82)	79	100.00	-	-	-	-	-	-	-	-
Intangible assets	13	38.79	9	(0.07)	9	32.01	7	(2.31)	7	(37.26)	11	108.32
Investment in associated company	121	159.07	47	5.19	44	(54.20)	97	26.46	77	83.98	42	55.33
Long-term loans receivable	8	25.34	6	(11.25)	7	22.25	6	140.38	2	(17.45)	3	72.43
Long-term deposits and prepayments	6	(57.43)	15	(32.06)	21	100.00	-	-	-	(100.00)	3	(80.00)
Total non-current assets	4,978	17.90	4,222	22.00	3,461	50.76	2,296	1.93	2,252	4.80	2,149	31.04
CURRENT ASSETS												
Stores and spares	67	22.41	55	(5.96)	58	(9.14)	64	4.60	61	20.94	51	12.66
Stock-in-trade	2,504	31.62	1,902	(13.65)	2,203	12.72	1,955	2.08	1,915	23.76	1,547	22.56
Trade debts	2,787	68.61	1,653	(20.88)	2,089	5.94	1,972	49.49	1,319	29.30	1,020	6.21
Short-term loans and advances	60	150.76	24	(49.13)	47	(29.18)	67	238.49	20	17.91	17	(14.32)
Short-term deposits and prepayments	32	11.48	29	(49.83)	57	14.05	50	31.00	38	(24.16)	51	65.42
Other receivables	131	120.10	59	93.16	31	223.81	10	(68.87)	31	100.00	0.6	(62.44)
Advance tax - net of provision	366	(5.67)	388	(2.36)	397	113.87	186	83.13	101	(45.48)	186	(5.33)
Cash and bank balances	108	26.43	85	(3.19)	88	(84.65)	573	991.80	52	(4.14)	55	421.02
Total current assets	6,054	44.32	4,195	(15.60)	4,971	1.95	4,875	37.82	3,538	20.88	2,927	15.84
TOTAL ASSETS	11,032	31.06	8,417	(0.17)	8,432	17.58	7,171	23.86	5,790	14.07	5,076	21.82

EQUITY AND LIABILITIES											
SHARE CAPITAL AND RESERVES											
Issued, subscribed and paid-up capital	356	-	356	-	356	25.00	285	-	285	-	285
Advance against share capital	-	-	-	-	(100.00)	488	100.00	-	-	-	-
<i>Capital reserves</i>											
Share premium reserve	1,595	-	1,595	-	1,595	202.22	528	-	528	-	528
Revaluation surplus on property (land and building) - net of tax	1,599	(0.84)	1,613	(0.63)	1,623	46.99	1,104	0.11	1,103	(0.99)	1,114
<i>Revenue reserves</i>											
General reserve	1,268	-	1,268	3.34	1,227	7.82	1,138	22.89	926	15.46	802
Un-appropriated profit / (loss)	530	(959.70)	(62)	(180.51)	77	(64.41)	215	(20.25)	270	7.01	252
Total shareholders' equity	5,349	12.13	4,770	(2.21)	4,878	29.80	3,758	20.78	3,112	4.38	2,981
											18.14
LIABILITIES											
NON-CURRENT LIABILITIES											
Long-term borrowings	740	11.58	663	(2.59)	681	135.21	289	46.06	198	(12.91)	228
Lease liabilities	10	(58.65)	25	100.00	-	-	-	-	-	-	-
Deferred liability for staff gratuity	44	3.30	43	36.28	31	(4.33)	33	12.15	29	(1.27)	30
Other long-term employee benefits	6	18.98	5	(85.50)	38	7.38	35	(0.59)	35	14.82	31
Deferred tax liability - net	39	(33.31)	59	(38.34)	96	52.81	63	6.95	58	(19.41)	73
Total non-current liabilities	840	5.67	795	(5.96)	845	101.38	420	30.73	321	(10.90)	360
											141.57
CURRENT LIABILITIES											
Current portion of long-term borrowings	417	90.99	218	100.82	109	58.18	69	6.80	64	415.00	13
Current portion of lease liabilities	10	(82.42)	55	100.00	-	-	-	-	-	-	-
Trade and other payables	1,418	31.60	1,078	32.64	813	6.62	762	(26.55)	1,038	9.14	951
Short-term loan from banking companies	2,134	72.84	1,234	(17.62)	1,498	(15.77)	1,779	92.97	922	103.55	453
Contract liabilities	807	312.90	195	(12.14)	223	(33.37)	334	19.77	279	(6.57)	298
Unclaimed dividend	26	(0.25)	26	(1.77)	26	9.74	24	(44.31)	43	224.14	13
Mark-up accrued on bank borrowings	32	(29.08)	46	13.30	40	56.90	26	118.44	12	75.76	7
Total current liabilities	4,843	69.81	2,852	5.30	2,709	(9.51)	2,993	26.99	2,357	35.91	1,734
TOTAL LIABILITIES	5,683	55.83	3,647	2.62	3,554	4.12	3,413	27.44	2,678	27.86	2,095
TOTAL EQUITY AND LIABILITIES	11,032	31.06	8,417	(0.17)	8,432	17.58	7,171	23.86	5,790	14.07	5,076
											21.82

4.2.3 Horizontal Analysis of Income Statement

Net Sales

Horizontal growth trajectory of net sales in income statement of Pakistan Cables Ltd. suggests that it increased up to 44.67% in fiscal year 2021-2020, declined by (6.37%) in fiscal year 2020-2019, increased by 1.50% in fiscal year 2019-2018, increased by 18.28% in fiscal year 2018-2017 and further increased by 18.02% in fiscal year 2017-2016.

Reasons of change:

Net sales declined in 2020 due to global financial uncertainty as a result of Covid-19. Covid-19 restrictions had negative impact on production phase which then effected net sales.

Cost of Sales

Horizontal growth trajectory of cost of sales in income statement of Pakistan Cables Ltd. suggests that it increased by 41.24% in 2021-20, declined by (3.89%) in 2020-19, increased by 1.60% in 2019-18, increased by 23.59% and 18.20% during 2018-17 and 2017-16 respectively.

Reasons of change:

Cost of sales increased in 2021 by 41.24% because production phase in industry increased rapidly. It declined in 2020 by (3.89%) because of Covid-19 restrictions as it negatively impacted production phase in the industry.

Gross Profit

Horizontal growth trajectory of gross profit in income statement of Pakistan Cables Ltd. suggests that it increased by 77.44% in 2021-20, declined by (24.91%) in 2020-19, increased by 0.75% in 2019-18, declined by (10.29%) in 2018-17 and increased by 17.05% in 2017-16.

Reasons of change:

Gross Profit increased in 2021 due to abrupt increase in net sales. It declined in 2020 due to Covid-19 negative impact on net sales and it further declined in 2018 by (10.29%) due to rise in cost of sales in comparison to that in 2017.

Marketing, Selling and Distribution Costs

Horizontal growth trajectory of marketing, selling and distribution costs in income statement of Pakistan Cables Ltd. suggests that it increased by 19.46% in 2021-20, it declined by (14.66%) in 2020-19, increased by 16.33% in 2019-18, increased by 7.94% in 2018-17 and further increased by 0.08% in 2017-16.

Reason for change:

In 2021, positive growth in marketing, selling and distribution costs were observed due to increase in the net sales. In 2020, negative growth was observed due to Covid-19 impact on production phase which hampered net sales and thus need for marketing and distribution declined.

Administrative Expenses

Horizontal growth trajectory of administrative costs in income statement of Pakistan Cables Ltd. suggests that it increased by 22.34% in 2021-20, declined by (16.48%) in 2020-19, increased by 6.95% in 2019-18 and increased by 8.86% subsequently in 2018-17 and 2017-16 respectively.

Reasons of change:

Administrative expenses increased in 2021 due to increase in number of working days in order to increase production and net sales.

Finance Costs

Horizontal growth trajectory of administrative costs in income statement of Pakistan Cables Ltd. suggests that it declined by (32.06%) in 2021-20, increased by 50.20% in 2020-19, increased by 41.15% in 2019-18, increased by 103.62% in 2018-17 and declined by (18.84%) in 2017-16.

Reasons of change:

Financing costs declined because cost for borrowing loan in order to purchase assets also decreased in 2021 and 2017 respectively. Whereas in 2020, 2019 and 2018 cost of finance increased so that company can purchase assets on borrowed capital.

Other Income

Horizontal growth trajectory of administrative costs in income statement of Pakistan Cables Ltd. suggests that it increased by 382.4% in 2021-20, declined by (32.64%) in 2020-19, increased by 34.13% in 2019-18, declined by (58.35%) in 2018-17 and increased by 259.87% in 2017-16.

Reasons of change: Other income increased rapidly in 2021 due to rapid increase in net sales. Whereas decline in 2020 is due to Covid-19 negative impact on net sales and gross profit.

Taxes

Horizontal growth trajectory of taxes in income statement of Pakistan Cables Ltd. suggests that it increases by 617.7% in 2021-20, decreases by (45.5%) in 2020-19, increases by 30.46% in 2019-18, decreases by (73.56%) in 2018-17 and increases by 2.02% in 2017-16.

Reasons of change:

Taxes increased rapidly in 2021 due to change in governmental taxation policy plus increase in the net sales, gross profit and profit before tax also played vital role in increasing tax rate on the income.

Profit Before and After Taxes

Horizontal growth trajectory of profit before tax in income statement of Pakistan Cables Ltd. suggests that it increased by 100% in 2021-20, declined by (136.54%) in 2020-19, declined by (48.70%) and (44.93%) in 2019-18 and 2018-17 respectively and increased by 53.31% in 2017-16. Horizontal growth trajectory of profit before tax in income statement of Pakistan Cables Ltd. suggests that it increased by 100% in 2021-20, declined by (172.71%) in 2020-19, declined by 58.66% in 2019-18, declined by (36.18%) in 2018-17 and increased by 81.04% in 2017-16.

Reasons of change:

In 2021 rapid increase in profit before and after tax is observed due to increase in net sales and gross profit.

Decline in horizontal growth in 2020 is observed due to negative impact on Covid-19 on net sales and production. In 2019 and 2018 cost of sales and expenses were much more than net sales.

4.2.4 Graphical and Tabular Illustration of Horizontal Analysis of Pakistan Cables Income Statement

INCOME STATEMENT	▼ 2021	▼ % change 2021-20	▼ 2020	▼ %change 2020-19	▼ 2019	▼ %change 2019-18	▼ 2018	▼ %change 2018-17	▼ 2017
Net Sales	13,145	44.60%	9,086	-6.37%	9,704	1.50%	9,561	18.28%	8,064
Cost of Sales	11,619	41.24%	8,226	-3.89%	8,559	1.60%	8,424	23.59%	6,816
Gross Profit	1,526	77.44%	860	-24.91%	1,145	0.75%	1,137	10.29%	1,248
Marketing, Selling and Distribution Costs	-520	19.46%	-435	14.66%	-510	16.33	-438	7.94%	-406
Administrative Expenses	-272	22.34%	-222	16.48%	-266	6.95%	-249	8.86%	-229
Impairment reversal/ (loss) on trade debts	9	-151.37%	-17	100%	0.1	100%		-100%	-1
	-783	16.13%	-674	-13.09%	-776	12.92%	-687	8.02%	-636
Finance Costs	-192	-32.06%	-283	50.20%	-189	41.15%	-134	103.62%	-66
Impairment reversal/ loss on investments	57	100%		-100%	-57	100%			
Other Expenses	-55	-100%	-4	-69.52	-15	-50.48%	-29	-39.74%	-49
	-190		-287	-10.48%	-260	59.77%	-163	42.52%	-114
Other Income	177	382.54%	37	-32.64	55	34.13%	41	-58.35%	98
Share of Profit from associate under equity basis	19	100%	1	-95.45%	12	-22.68%	16	68.85%	10
Profit/Loss before tax	750	100%	-64	-136.54	176	-48.70%	344	-44.93%	624
Taxation	-196	617.17%	-27	-45.44	-50	30.46%	-36	-73.65%	-146
Profit/Loss after tax	554	100%	-92	-172.71	126	-58.66%	305	-36.18%	478

4.3 Vertical Analysis (Pakistan Cables Ltd. 2017-2021)

4.3.1 Vertical Analysis of Balance Sheet

Current Assets

Changes over the years and predictions for the future:

54.88% in 2021-2020, 49.84% on total assets in 2020-19, 58.95% on total assets in 2019-18, 67.99% on total assets in 2018-17 and 61.10% on total assets in 2017-16. Stock in trade, trade debts, advance tax – net and cash balance items of current assets has more weightage as compared to other items. In future if global economic recession remains stable then we can predict increase in impact of current assets on total assets as increase in net sales means more cash balance.

Non-Current Assets

Changes over the years and predictions for the future:

45.12% impact on total assets in 2021-2020, 50.16% on total assets in 2020-2019, 41.05% on total assets in 2019-2018, 32.01% on total assets in 2018-17 and 38.90% on total assets in 2017-16. Property, plant, equipment and investment in any company items of non-current assets has more weightage as compared to other items whose impact on total assets is quite negligible (less than 1%). In future if global economic recession remains stable then we can predict increase in impact of non-current assets on total assets as increase in the property, equipment and investments in associated company will be observed.

Share Capital & Reserves/ Total Equity

Changes over the years and predictions in the future:

48.5% impact on total liabilities and equity in 2021-2020, 56.7% on total liabilities and equity in 2020-19, 57.85% on total liabilities and equity in 2019-18, 52.41% on total liabilities and equity in 2018-17 and 53.74% on total liabilities and equity in 2017-16. We can predict steady rise in impact of capital share reserves on the total liabilities and equity in coming years if the global economic recession and inflation doesn't fluctuate.

Current Liabilities

Changes over the years and predictions for the future:

43.90% impact on total liabilities and equity in 2021-20, 33.90% on total liabilities and equity in 2020-19, 32.13% on total liabilities and equity in 2019-18, 41.74% on total liabilities and equity in 2018-17 and 40.71% on total liabilities and equity in 2017-16. In future we can predict rise in impact of current liabilities because of rise in inflation rate at global market.

Non-current liabilities

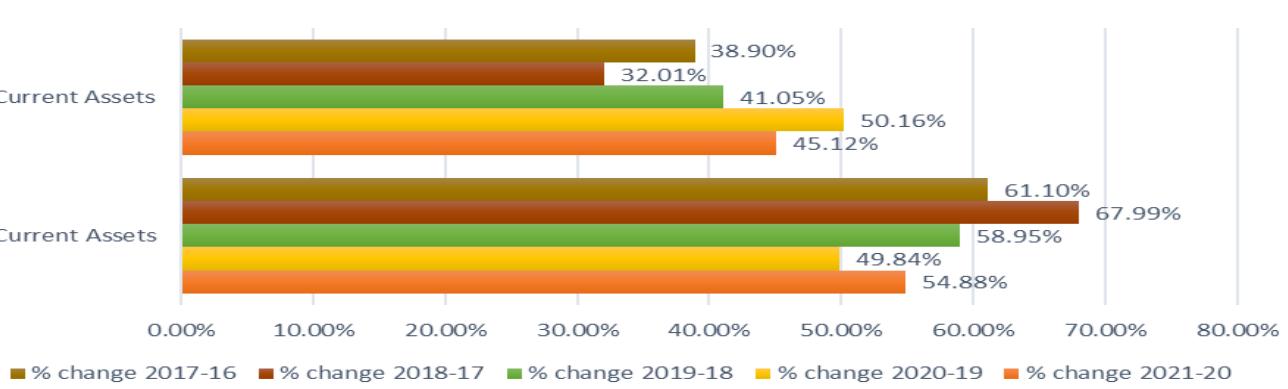
Changes over the years and predictions for the future:

7.61% on total liabilities and equity in 2021-20, 9.44% on total liabilities and equity in 2020-19, 10.02% on total liabilities and equity in 2019-18, 5.85% on total liabilities and equity in 2018-17 and 5.54% on total liabilities and equity in 2017-16. In future we can predict rise in impact of non-current liabilities because of rise in inflation rate at global market.

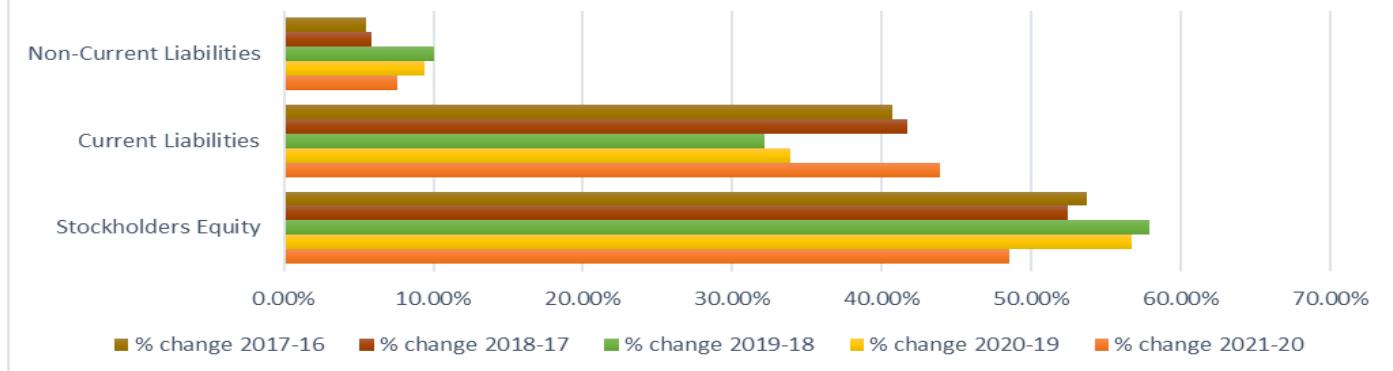
4.3.2 Graphical and Tabular Illustration of Vertical Analysis of Pakistan Cables Balance Sheet

	2021		2020		2019		2018		2017		2016	
	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4,779	43.32	4,066	48.31	3,379	40.08	2,186	30.48	2,166	37.41	2,090	41.18
Right-of-use assets	52	0.47	79	0.94	-	-	-	-	-	-	-	-
Intangible assets	13	0.11	9	0.11	9	0.11	7	0.10	7	0.12	11	0.22
Investment in associated company	121	1.10	47	0.55	44	0.53	97	1.35	77	1.32	42	0.82
Long-term loans receivable	8	0.07	6	0.07	7	0.08	6	0.08	2	0.04	3	0.06
Long-term deposits and prepayments	6	0.06	15	0.17	21	0.25	-	-	-	-	3	0.06
Total non-current assets	4,978	45.12	4,222	50.16	3,461	41.05	2,296	32.01	2,252	38.90	2,149	42.34
CURRENT ASSETS												
Stores and spares	67	0.61	55	0.65	58	0.69	64	0.90	61	1.06	51	1.00
Stock-in-trade	2,504	22.70	1,902	22.60	2,203	26.13	1,955	27.26	1,915	33.07	1,547	30.48
Trade debts	2,787	25.26	1,653	19.63	2,089	24.77	1,972	27.50	1,319	22.78	1,020	20.10
Short-term loans and advances	60	0.55	24	0.29	47	0.56	67	0.93	20	0.34	17	0.33
Short-term deposits and prepayments	32	0.29	29	0.34	57	0.68	50	0.70	38	0.66	51	1.00
Other receivables	131	1.19	59	0.71	31	0.37	10	0.13	31	0.53	1	0.01
Advance tax - net of provision	366	3.32	388	4.61	397	4.71	186	2.59	101	1.75	186	3.66
Cash and bank balances	108	0.98	85	1.01	88	1.04	573	7.99	52	0.91	55	1.08
Total current assets	6,054	54.88	4,195	49.84	4,971	58.95	4,875	67.99	3,538	61.10	2,927	57.66
TOTAL ASSETS	11,032	100.00	8,417	100.00	8,432	100.00	7,171	100.00	5,790	100.00	5,076	100.00
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid-up capital	356	3.22	356	4.23	356	4.22	285	3.97	285	4.92	285	5.61
Advance against share capital	-	-	-	-	-	-	488	6.80	-	-	-	-
Capital / reserves												
Share premium reserve	1,595	14.46	1,595	18.95	1,595	18.92	528	7.36	528	9.12	528	10.40
Revaluation surplus on property (land and building) - net of tax	1,599	14.50	1,613	19.16	1,623	19.25	1,104	15.40	1,103	19.05	1,114	21.95
Revenue reserves	1,268	11.49	1,268	15.06	1,227	14.55	1,138	15.87	926	15.99	802	15.80
General reserves	530	4.81	(62)	(0.73)	77	0.91	215	3.00	270	4.66	252	4.97
Un-appropriated profit / (loss)												
Total shareholders' equity	5,349	48.48	4,770	56.67	4,878	57.85	3,758	52.41	3,112	53.74	2,981	58.73
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term borrowings	740	6.71	663	7.88	681	8.07	289	4.04	198	3.42	228	4.48
Lease liabilities	10	0.09	25	0.29	-	-	-	-	-	-	-	-
Deferred liability for staff gratuity	44	0.40	43	0.51	31	0.37	33	0.46	29	0.50	30	0.58
Other long-term employee benefits	6	0.06	5	0.06	38	0.45	35	0.49	35	0.61	31	0.61
Deferred tax liability - net	39	0.36	59	0.70	96	1.13	63	0.87	58	1.01	73	1.43
Total non-current liabilities	840	7.61	795	9.44	845	10.02	420	5.85	321	5.54	360	7.10
CURRENT LIABILITIES												
Current portion of long-term borrowings	417	3.78	218	2.59	109	1.29	69	0.96	64	1.11	13	0.25
Current portion of lease liabilities	10	0.09	55	0.66	-	-	-	-	-	-	-	-
Trade and other payables	1,418	12.86	1,078	12.80	813	9.64	762	10.63	1,038	17.92	951	18.73
Short-term loan from banking companies	2,134	19.34	1,234	14.67	1,498	17.77	1,779	24.81	922	15.92	453	8.92
Contract liabilities	807	7.32	195	2.32	223	2.64	334	4.66	279	4.82	298	5.88
Unclaimed dividend	26	0.23	26	0.30	26	0.31	24	0.33	43	0.74	13	0.26
Mark-up accrued on bank borrowings	32	0.29	46	0.54	40	0.48	26	0.36	12	0.20	7	0.13
Total current liabilities	4,843	43.90	2,852	33.89	2,709	32.13	2,993	41.74	2,357	40.71	1,734	34.17
TOTAL LIABILITIES	5,683	51.52	3,647	43.33	3,554	42.15	3,413	47.59	2,678	46.26	2,095	41.27
TOTAL EQUITY AND LIABILITIES	11,032	100.00	8,417	100.00	8,432	100.00	7,171	100.00	5,790	100.00	5,076	100.00

Current and Non-Current Assets contribution on Total Assets



Current, Non-Current Liabilities and Capital Shares & Reserves on Total Liabilities & Equity



4.3.3 Vertical Analysis of Income Statement

Cost of Sales

Cost of sales decreased net sales by 88.39% in 2021-20, decreased net sales by 90.53% in 2020-19, decreased net sales by 88.19% in 2019-18, decreased net sales by 88.11% in 2018-17 and decreased net sales by 84.32% in 2017-16. In future we can predict rise in impact of cost of sales on net sales as it varies with net sales.

Reasons of change:

Due to decline in net sales in 2020 due to Covid-19 as a result negative impact of cost of sales on net sales enhanced.

Gross Profit

Gross profit gained from net sales was 11.61% in 2021-20, 9.47% in 2020-19, 11.81% in 2019-18, 11.89% in 2018-17 and 15.68% in 2017-16. In future if economic situation remains favorable steady rise in gross profits can be expected.

Reasons of change:

Due to decline in net sales in 2020 due to Covid-19 as a result significant decline in gross profit was observed in 2020 which was less than 10% of total net sales.

Marketing, Selling, Distribution Costs

Marketing, selling and distribution costs are one of the major expense in financial statements of Pakistan Cables Ltd. which decreases overall net sales by 3.95% in 2021-20, 4.79% in 2020-19, 5.25% in 2019-18, 4.58% in 2018-17 and 5.02% in 2017-16. In future we can predict rise in marketing, selling and distribution costs due to rise in inflation rate and need to improve marketing and distribution.

Administrative Costs

Through vertical analysis we get to know how administrative costs have impact on the net sales. Administrative costs decrease net sales by 2.07% in 2021-20, 2.45% in 2020-19, 2.74% in 2019-18, 2.60% in 2018-17 and 2.83% in 2017-16. Due to rise in monthly utilities we can expect admin costs to rise in coming years.

Finance Costs

Through vertical analysis we get to know how finance costs have impact on the net sales. Finance costs decreases net sales by 1.46% in 2021-20, 3.12% in 2020-19, 1.94% in 2019-18, 1.40% in 2018-17 and 0.88% in 2017-16. Due to rise in inflation rate and need for external capital to purchase assets we can see rise in finance costs in coming years.

Reasons of change:

Rise in finance costs in 2020 is due to requirement of external capital in order to buy assets mostly because company didn't gained enough profits to afford its internal finances through retainable earnings.

Other Income

Through vertical analysis we get to know how other income have impact on the net sales. Other income increased net sales by 1.35% in 2021-20, 0.40% in 2020-19, 0.56% in 2019-18, 0.43% in 2018-17 and 1.21% in 2017-16.

Taxes

Through vertical analysis we get to know how taxes have impact on the net sales. Taxes decreases net sales by 1.49% in 2021-20, 0.30% in 2020-19, 0.52% in 2019-18 and 0.40% in 2018-17.

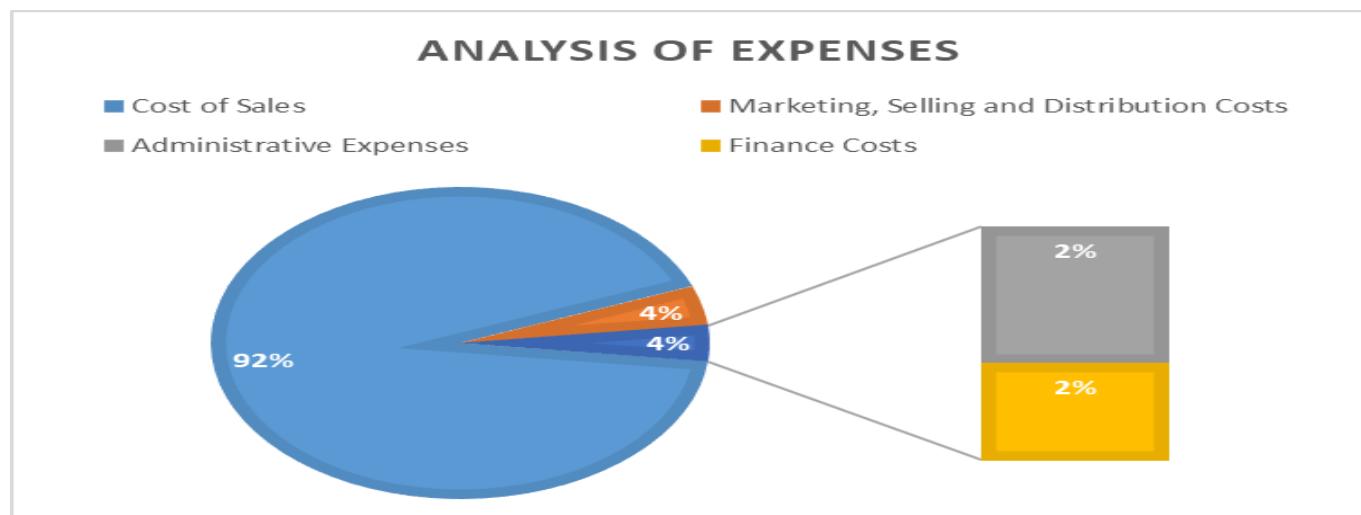
Reasons of change: Due to excessive profits gained in 2021 as a result of increase in net sales. Tax ratio also increase rapidly in 2021.

Profit Before Tax and Profit After Tax

Profit before tax gained from net sales is around 5.7% in 2021-20, -0.71% in 2020-19, 1.82% in 2019-18, 3.60% in 2018-17 and 7.72% in 2017-16. Profit after tax gained from net sales is around 4.21% in 2021-20, -1.01% in 2020-19, 1.30% in 2019-18, 3.19% in 2018-17 and 5.92% in 2017-16. In future we can expect rise in both the profit before and after tax because of increase in net sales.

Reasons of change: Profit before and after taxes increased in 2021 due to excessive net sales and rapid increase in gross profit. Covid-19 impact in 2020 decreased net sales, gross profit and net profit overall.

4.3.4 Graphical and Tabular Illustration of Vertical Analysis of Pakistan Cables Balance Sheet



INCOME STATEMENT	2021	% change 2021-20	2020	%change 2020-19	2019	%change 2019-18	2018	%change 2018-17	2017
Net Sales	13,145	100.00%	9,086	100.00%	9,704	100.00%	9,561	100.00%	8,064
Cost of Sales	-11,619	-88.39%	-8,226	-90.53%	-8,559	-88.19%	-8,424	-88.11%	-6,816
Gross Profit	1,526	11.61%	860	9.47%	1,145	11.81%	1,137	11.89%	1,248
Marketing, Selling and Distribution Costs	-520	-3.95%	-435	-4.79%	-510	-5.25%	-438	-4.58%	-406
Administrative Expenses	-272	-2.07%	-222	-2.45%	-266	-2.74%	-249	-2.60%	-229
Impairment reversal/ (loss) on trade debts	9	0.07%	-17	-0.19%	0.1	0%			-1
	-783	-5.96%	-674	-7.42%	-776	-8.00%	-687	-7.19%	-636
Finance Costs	-192	-1.46%	-283	-3.12%	-189	-1.94%	-134	-1.40%	-66
Impairment reversal/ loss on investments	57	0.44%			-57	-0.59%			
Other Expenses	-55	-0.42%	-4	-0.05%	-15	-0.15%	-29	-0.31%	-49
	-190	-1.45%	-287	-3.17%	-260	-2.68%	-163	-1.70%	-114
Other Income	177	1.35%	37	0.40%	55		41	0.43%	98
Share of Profit from associate under equity basis	19	0.15%	1	0.01%	12	0.13%	16	0.17%	10
Profit/Loss before tax	750	5.70%	-64	-0.71%	176	1.82%	344	3.60%	624
Taxation	-196	-1.49%	-27	-0.30%	-50	-0.52%	-36	-0.40%	-146
Profit/Loss after tax	554	4.21%	-92	-1.01%	126	1.30%	305	3.19%	478

4.4 Trend Analysis (Pakistan Cables Ltd. 2017-2021)

4.4.1 Trend Analysis of Balance Sheet

Current Assets

Changes over the years and predictions for the future:

PKR. valuation of current assets in 2021 was 6095 million, 4195 million in 2020, 4971 million in 2019, 4875 million in 2018 and 3538 million in 2017. We can expect rise in valuation of current assets due to rapid change in valuation of PKR against US\$ at stock market.

Reasons of change:

Current assets valuation increased rapidly in 2021 due to rapid increase in stock of trade, trade in debts and other receivables and decline in its valuation in 2020 is due to negative impact of Covid-19 on items like stock in trade, trade in debts and other receivables etc.

Non-Current Assets

Changes over the years and predictions for the future:

PKR. valuation of non-current assets in 2021 was 4978 million, 4222 million in 2020, 3461 million in 2019, 2296 million in 2018, and 2252 million in 2017. We can expect rise in valuation of non-current assets due to rapid change in valuation of PKR against US\$ at stock market.

Reasons of change:

Non-Current Assets increased with each passing year. But it progressed massively in 2020 and 2021 respectively because of excessive increase in valuation of property, plants and equipment.

Total Assets

Changes over the years and predictions in the future:

PKR. valuation of total assets in 2021 was 11032 million, 8417 million in 2020, 8432 million in 2019, 7171 million in 2018 and 5790 million in 2017.

Reasons of change:

Total assets valuation increased in 2021 due to rapid increase main items like other receivables, trade in debt and stock in trade. In 2020, due to decline in current assets because of Covid-19 overall growth of total assets is stunted.

Current Liabilities

Changes over the years and predictions in the future:

PKR. valuation of current liabilities in 2021 was 4843 million, 2852 million in 2020, 2709 million in 2019, 2993 million in 2018 and 2357 million in 2017. In future we can expect rise in valuation of current liabilities due to rise in debts in order to meet capital requirements.

Reasons of change:

Current liabilities valuation increased in 2021 rapidly due to increase in borrowings from banking companies, trade and other payables and contractual liabilities etc.

Non-Current Liabilities

Changes over the years and predictions in the future:

PKR. valuation of non-current liabilities in 2021 was 840 million, 795 million in 2020, 845 million in 2019, 420 million 2018 and 321 million in 2017. In future we can expect rise in valuation of non-current liabilities due to rise in debts in order to meet capital requirements.

Reasons of change:

Non-Current liabilities valuation observed high fluctuated growth in 2019 and 2016 due to rapid increase in long term borrowings and deferred tax liability.

Capital Share & Reserves (Equity)

Changes over the years and predictions in the future:

PKR. valuation of total equity in 2021 5349 million, 4770 million in 2020, 4878 million in 2019, 3758 million in 2018 and 3112 million in 2017. We can expect rise in valuation of equity due to rapid change in valuation of PKR against US\$ at stock market.

Reasons of change:

Total Equity valuation progressed with each passing year. In 2021 its valuation reached PKR. 5349 million because of increase in general reserves and unappropriated profit. Its valuation dropped in 2020 due to adverse impact of economic recession as a result of Covid-19 on the share reserves valuation.

Total Liabilities

Changes over the years and predictions in the future:

PKR. valuation of total liabilities in 2021 was 5683 million, 3467 million in 2020, 3554 million in 2019, 3413 million in 2018 and 2678 million in 2017. In future we can expect rise in valuation of both current and non-current liabilities due to rise in debts in order to meet capital requirements.

Reasons of change:

Total Liabilities in 2021 had excessive growth in comparison to its previous years. It was due to rise in current liabilities items such as borrowing from banking companies, trade and other payables and contractual liabilities etc.

Total Liabilities and Equity

Changes over the years and predictions in the future:

Through trend analysis we get to know that total liabilities and equity increased progressively from 2016-2021. PKR. valuation of total liabilities and equity in 2021 was 11032 million, 8417 million in 2020, 8432 million in 2019, 7171 million in 2018 and 5790 million in 2017. In future we can expect rise in valuation of both liabilities and equity as well due to rise in debts and equity in order to meet capital requirements.

Reasons of change:

Total liabilities and equity increased rapidly in 2021 due to increase in current liabilities at excessive rate.

Total liabilities and equity declined in 2020 due to decrease in current liabilities and capital share reserves.

4.4.2 Trend Analysis of Pakistan Cables Balance Sheet Graphical and Tabular Illustration

YEAR	2022	2021	2020	2019	2018	In Thousands (.000)
Cash	255,814	107,644	85,140	87,942	572,866	
Inventory	3,863,451	2,503,864	1,902,397	2,203,201	1,954,584	
Current Asset	8,739,166	6,054,108	4,195,014	4,985,880	4,875,412	
Investments	65,723	120,977	46,696	44,392	96,926	
Fixed Asset	10,754,091	4,977,807	4,222,181	3,445,674	2,295,622	
Total Assets	19,493,257	11,031,915	8,417,195	8,431,554	7,171,034	
Current Liability	9,255,301	4,843,381	2,852,285	2,708,640	2,993,366	
Fixed Liability	1,231,670	839,836	794,752	845,123	419,671	
Total Liabilities	10,486,971	5,683,217	3,647,037	3,553,763	3,413,037	
Paid Up Capital	409,146	355,779	355,779	355,779	355,779	
Total Equity	9,006,286	5,348,698	4,770,158	4,877,791	3,757,997	

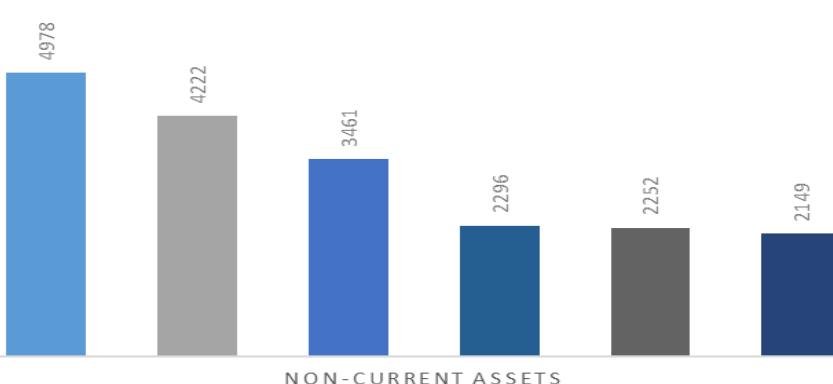
TREND ANALYSIS OF CURRENT ASSETS (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



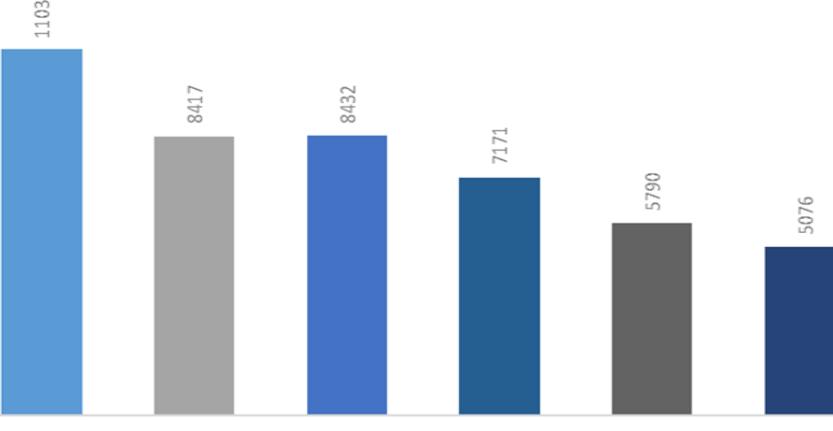
TREND ANALYSIS OF NON-CURRENT ASSETS (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



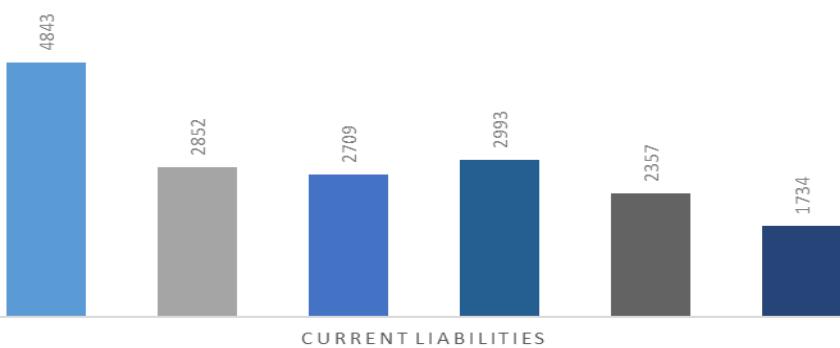
TREND ANALYSIS OF TOTAL ASSETS (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



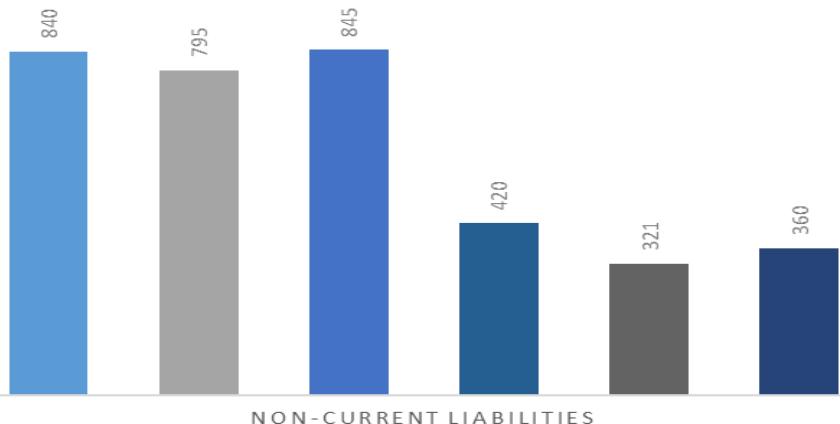
TREND ANALYSIS OF CURRENT LIABILITIES (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



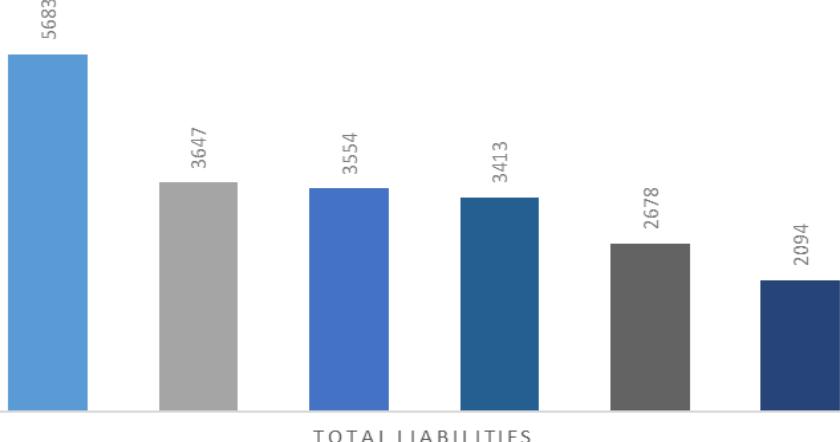
TREND ANALYSIS OF NON-CURRENT LIABILITIES (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



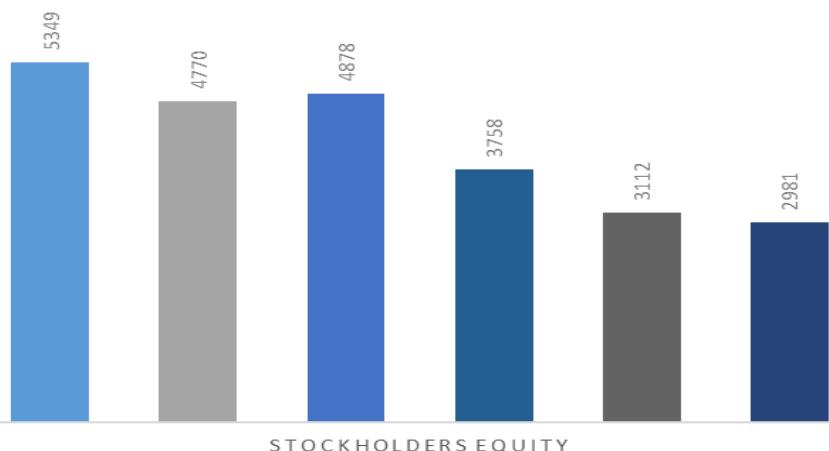
TREND ANALYSIS OF TOTAL LIABILITIES (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



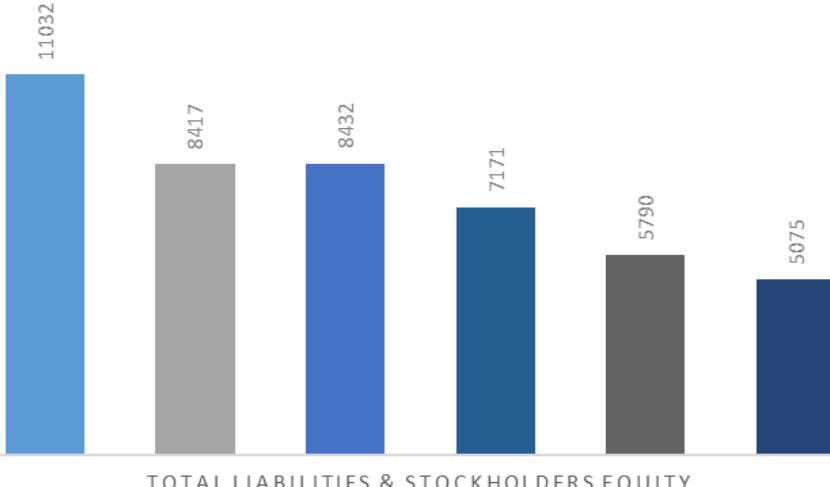
TREND ANALYSIS OF TOTAL EQUITY (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



TREND ANALYSIS OF TOTAL LIABILITIES & EQUITY (IN PKR. MILLIONS)

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



4.4.3 Trend Analysis of Pakistan Cables Income Statement Graphical Illustration

Net Sales

Changes over the years and predictions in the future:

PKR. valuation of net sales in 2021 was 13145 million, 9086 million in 2020, 9704 million in 2019, 9561 million in 2018, 8084 million in 2017 and 6850 million in 2016. We can expect rise in valuation of net sales as industry has started to work in full potential after lifting of pandemic restrictions.

Reasons of change:

In 2021, massive rise in net sales occur because impact of Covid-19 related to restrictions ended and industry started to work at its full potential. In 2020, drop in net sales was due to negative impact of Covid-19 which stunted net sales production.

Cost of Sales

Changes over the years and predictions in the future:

PKR. valuation of cost of sales in 2021 was 11619 million, 8226 million in 2020, 8559 million in 2019, 8424 million in 2018, 6816 million in 2017 and 5767 million in 2016. If we are expecting rise in net sales than cost of sales will automatically rise in future.

Reasons of change:

In 2021, massive rise in cost of sales took place because of excessive production and net sales at Pakistan Cables. Decline in cost of sales in 2020 occurred because production phase stunted in 2020 and net sales declined excessively.

Gross Profit

Changes over the years and predictions in the future:

PKR. valuation of gross profit in 2021 was 1526 million, 860 million in 2020, 1146 million in 2019, 1137 million in 2018, 1268 million in 2017 and 1083 million in 2016. If we are expecting rise in net sales than gross profits will also automatically rise in future.

Reasons of change:

In 2021, massive rise in gross profit occurred to excessive net sales. Whereas in 2020, due to drop in net sales gross profit also declined.

Marketing, Selling and Distribution Costs

Changes over the years and predictions in the future:

PKR. valuation of marketing, selling and distribution costs in 2021 was 520 million, 435 million in 2020, 510 million in 2019, 438 million in 2018, 406 million in 2017 and 406 million in 2016. It is expected rise in future because with every passing year need for marketing and distribution to reach new audience also rises.

Reasons of change:

Decline in marketing, selling and distribution costs in 2020 occurred because supply chain of Pakistan Cables was disrupted due to Covid-19 restrictions and due to decline in production phase not enough products in inventory for marketing and selling.

Administrative Expenses and Finance Costs

Changes over the years and predictions in the future:

Through trend analysis we get to know that administrative costs and finance costs increased progressively from 2016-2021. PKR. valuation of administrative expenses in 2021 was 272 million, 222 million in 2020, 266 million in 2019, 249 million in 2018, 229 million in 2017 and 210 million in 2016. Due to rise in global inflation, utility bills are rising thus in future increase in admin costs should be expected.

Reasons of change:

Admin expenses in 2021 increased because number of working days increased and industry started to work at full potential.

Changes over the years and predictions in the future:

Whereas PKR. valuation of finance costs in 2021 was 192 million, 283 million in 2020, 189 million in 2019, 134 million in 2018, 66 million in 2017 and 81 million in 2016.

Reasons for change in finance costs:

In 2020, finance costs increased as industry had to borrow excessive external capital in order to operate its plants and equipment and couldn't bear on its own due to decrease in profits.

Other Income

Through trend analysis we get to know that other income increased progressively from 2016-2021. PKR. valuation of other income in 2021 was 177 million in 2020, 37 million in 2020, 55 million in 2019, 41 million in 2018, 98 million in 2017 and 27 million in 2016.

Taxes

Through trend analysis we get to know that taxes increased progressively from 2016-2021. PKR. valuation of taxes in 2021 was 196 million, 27 million in 2020, 50 million in 2019, 38 million in 2018, 146 million in 2017 and 143 million in 2016.

Reasons of change:

In 2021, taxes increase rapidly because net sales increased overall gross and net profit. Thus, taxes on net income also increased and in 2020 it decreased as Covid-19 negatively affected net sales and net profit which resulted in decline in taxation.

Profit Before and After Taxes

Changes over the years and predictions in the future:

PKR. valuation of profit before taxes in 2021 was 750 million, (64 million) loss in 2020, 176 million profit in 2019, 344 million in 2018, 624 million in 2017 and 407 million in 2016. PKR. valuation of profit after taxes in 2021 was 554 million, (92 million) loss in 2020, 126 million profit in 2019, 305 million in 2018, 478 million in 2016 and 264 million in 2016. We can expect rise in profit before and after tax due to expected rise in net sales.

Reasons of change:

Profit before and after taxes increased in 2021 due to excessive net sales which contributed to higher gross profit. Profit before and after taxes went in loss in 2020 due to Covid-19 lock downs as number of working days declined, production stunted, net sales declined and cost of sales was also high.

4.4.4 Trend Analysis of Pakistan Cables Income Statement Graphical and Tabular Illustration

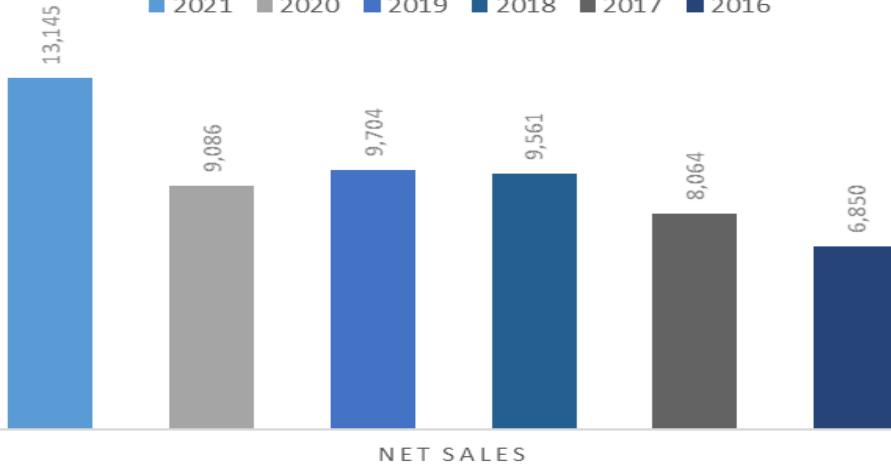
Income Statement

In Thousands (,000)

YEAR	2022	2021	2020	2019	2018	CHART
Sales	21,167,659	13,145,051	9,086,125	9,704,311	9,560,954	
Cost Of Sales	18,416,849	11,618,566	8,225,834	8,558,638	8,423,835	
Gross Profit	2,750,810	1,526,485	860,291	1,145,673	1,137,119	
Operating Profit	1,658,605	734,699	202,855	369,649	449,952	
Other Income	135,634	177,377	36,759	54,574	40,687	
Finance Cost	313,772	192,473	283,279	188,600	133,616	
Profit Before Tax	1,330,938	749,794	-64,436	176,359	343,766	
Taxation	503,212	196,147	27,350	50,126	38,423	
Profit After Tax	827,726	553,647	-91,786	126,233	305,343	

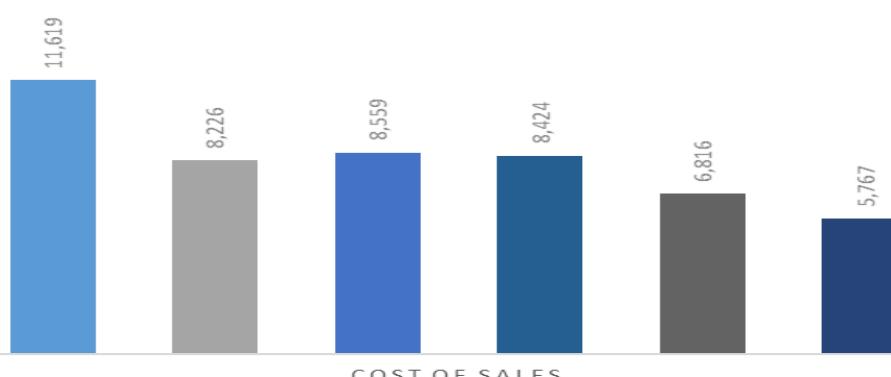
NET SALES(PKR M) TRENDS

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



COST OF SALES(PKR M) TRENDS

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



GROSS PROFIT(PKR M) TRENDS

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



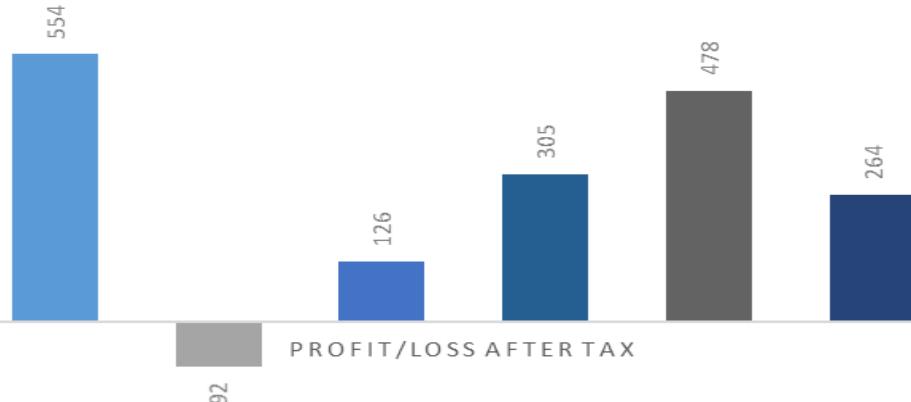
PROFIT BEFORE TAX(PKR M) TRENDS

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



PROFIT AFTER TAXES(PKR M) TRENDS

■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



4.5 Horizontal Analysis Pak Elektron Ltd. (2017-2021)

4.5.1 Horizontal Analysis of Balance Sheet

In balance sheet's horizontal analysis, the main components of balance sheet are Current Assets, non-current assets, Current liability, and non-current liability.

Current Assets

Horizontal growth of current assets is 13.31% in 2017-18, -6.63% in 2018-19, 10.65% in 2019-20 and 16.79% in 2020-21

Reasons of change:

In 2019, current assets decreased due to recovery of investments in inventories. In 2020, current assets increased because Operations increased due to increase in demand. In 2021, an increase in sales results in an increase in account receivable which leads to an increase in current assets.

Non-current Assets

Horizontal growth of non-current assets is 25.67% in 2017-18, 4.59% in 2018-19, 2.68% in 2019-20 and 0.40% in 2020-21

Reasons of change:

In 2020, non-current assets increased as compared to 2019, as the operations resumed after covid-19. In 2018 and 2019 the growth in non-current assets is observed due to an increase in property, plant, and equipment to support the increasing range of products.

Current Liability

Horizontal growth of current liability is 53.56% in 2017-18, -6.12% in 2018-19, -1.65% in 2019-20 and 2.05% in 2020-21

Reasons of change:

In 2018, current liability increased to cater for the increased workload. In 2019, current liability decreased due to a reduction in short term debt. In 2020, Trade debts have also increased slightly. The reason being that the credit period was extended to cater to the cash crunch faced by the customers during the period of Covid-19.

Non-current Liability

Horizontal growth of non-current liability is -10.34% in 2017-18, -3.67% in 2018-19, 48.17% in 2019-20 and 16.90% in 2020-21

Reasons of change:

Non- current liabilities increased due to the increase in funds raised to expand the business.

Total Equity

Horizontal growth of total equity is 12.14% in 2017-18, 1.35% in 2018-19, 3.35% in 2019-20 and 10.44% in 2020-21

Reasons of change:

In 2019 and 2020 decline in equity is observed due to Covid-19

4.5.2 Horizontal Analysis of Income Statement

In the income statement's horizontal analysis, the main components are Revenue, Gross profit, Operating profit, Profit before taxation, Profit after taxation.

Revenue/Sales

Horizontal growth of revenue is -7.39% in 2017-18, -3.51% in 2018-19, 0.98% in 2019-20 and 45.75% in 2020-21

Reasons of change:

In 2019, Covid-19 lockdown leads to decrease in sale revenue. In 2020, A slight expansion in sales revenue regardless of lockdowns is owing to getting of ideal requesting for the company's power products.

Profit Margin

Horizontal growth of profit margin is -23.24% in 2017-18, -6.06% in 2018-19, -2.06% in 2019-20 and 41.64% in 2020-21

Reasons of change:

Profit margins decreased due to the increase in input cost, increase in interest rate, operating expenses, and finance cost.

Profit before and after the tax

Profit before tax gained from net sales is 519.66% in 2021-20, -59.59% in 2020-19, -43.42% in 2019-18, -56.79% in 2018-17. Profit after tax gained from net sales is 610.27% in 2021-20, -74.25% in 2020-19, -35.89% in 2019-18, -58.56% in 2018-17.

Reasons of change:

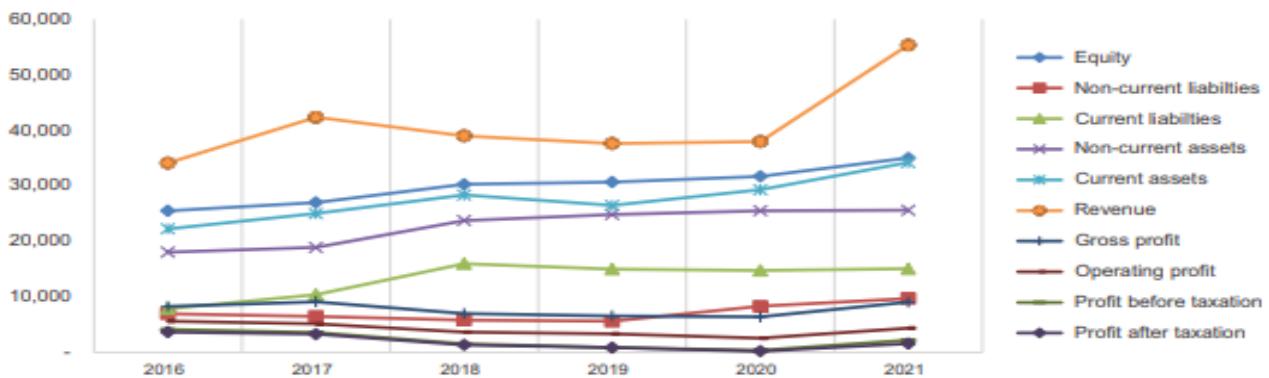
In 2019, major tax relief benefit was provided due to Covid-19. In 2020 tax provision was created according to the normal applicable rates.

4.5.3 Horizontal Analysis of PEL Balance Sheet and Income Statement Graphical and Tabular Illustration

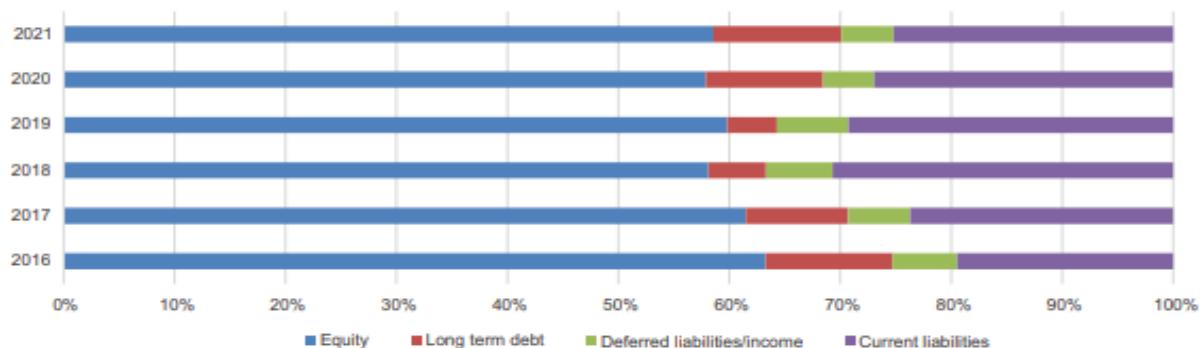
HORIZONTAL ANALYSIS

	2021 Rs. in M	2021 vs 2020 %age	2020 Rs. in M	2020 vs 2019 %age	2019 Rs. in M
EQUITY AND LIABILITIES					
Equity	35,027	10.44	31,715	3.35	30,688
Non-current liabilities	9,719	16.91	8,314	48.17	5,611
Current liabilities	15,067	2.05	14,765	(1.65)	15,012
TOTAL EQUITY AND LIABILITIES	59,813	9.16	54,793	6.79	51,311
ASSETS					
Non-current assets	25,608	0.40	25,507	2.68	24,842
Current assets	34,205	16.80	29,286	10.64	26,469
TOTAL ASSETS	59,813	9.16	54,793	6.79	51,311
PROFIT OR LOSS					
Revenue	55,367	45.75	37,988	0.98	37,621
Gross profit	9,068	41.65	6,402	(2.61)	6,573
Operating profit	4,381	71.37	2,557	(24.00)	3,364
Profit before taxation	2,206	519.87	356	(59.60)	881
Profit after taxation	1,591	610.78	224	(74.52)	879

2019 vs 2018 %age	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M
1.35	30,280	12.14	27,001	5.84	25,511
(3.76)	5,830	(10.33)	6,502	(6.73)	6,971
(6.12)	15,990	53.55	10,413	32.75	7,845
(1.51)	52,100	18.64	43,916	8.90	40,327
4.59	23,752	25.68	18,899	4.60	18,068
(6.63)	28,348	13.31	25,017	12.39	22,259
(1.51)	52,100	18.64	43,916	8.90	40,327
(3.51)	38,990	(7.93)	42,347	24.10	34,124
(6.06)	6,997	(23.24)	9,116	10.05	8,284
(8.17)	3,663	(28.95)	5,155	(8.20)	5,616
(43.43)	1,557	(56.78)	3,603	(12.53)	4,119
(35.94)	1,371	(58.54)	3,308	(9.86)	3,670



Statement of Financial Position Analysis (Equity and Liabilities)



4.6 Vertical Analysis Pak Elektron Ltd. (2017-2021)

4.6.1 Vertical Analysis of Balance sheet

Current Assets

Vertical analysis overall impact of current assets on total assets are given as:

56.97% in 2017, 54.41% in 2018, 51.59% in 2019, 53.45% in 2020, 57.19% in 2021.

Reasons of change:

The increase in current assets is observed in vertical analysis due to the increase in sales and trade debt.

In 2019, the decrease in current assets is due to the negative impact of covid-19.

Non-Current Assets

Vertical analysis overall impact of non-current assets on total assets are given as:

43.04% in 2017, 45.59% in 2018, 48.41% in 2019, 46.55% in 2020, 42.82% in 2021.

Reasons of change:

Increase in non-current asset is observed due to increase in property, plant, and equipment to support the increasing range of products.

Current Liability

Vertical analysis overall impact of current liability on total liability are given as:

23.71% in 2017, 30.69% in 2018, 29.26% in 2019, 26.95% in 2020, 25.19% in 2021.

Reasons of change:

In 2019 current liability decreased from 30.96% to 26.26% due to a decrease in short term debt.

4.6.2 Vertical Analysis of Income Statement

Profit Margin

Vertical analysis overall impact of current assets on total assets are given as: 21.53% in 2017, 17.95% in 2018, 17.47% in 2019, 16.85% in 2020 and 16.38% in 2021

Reasons of change:

In 2017-20 Profit margins decreased due to the increase in input cost, increase in interest rate, operating expenses, and finance cost.

In 2021 profit margin increased as the company disciplined expense management and lower borrowing cost.

Profit before and after the tax

Profit before tax gained from net sales is

3.98% in 2021-20, 0.94% in 2020-19, 2.34% in 2019-18, 3.99% in 2018-17 and 8.51% in 2017-16.

Profit after tax gained from net sales is

2.87% in 2021-20, 0.59% in 2020-19, 2.34% in 2019-18, 3.52% in 2018-17 and 7.81% in 2017-16.

Reasons of change: In 2019, major tax relief benefit was provided due to Covid-19. In 2020 tax provision was created according to the normal applicable rates.

4.6.3 Vertical Analysis of PEL Balance Sheet and Income Statement Graphical and Tabular Illustration

VERTICAL ANALYSIS

	2021		2020	
	Rs. in M	%age	Rs. in M	%age
EQUITY AND LIABILITIES				
Equity	35,027	58.56	31,715	57.88
Non-current liabilities	9,719	16.25	8,314	15.17
Current liabilities	15,067	25.19	14,765	26.95
TOTAL EQUITY AND LIABILITIES	59,813	100.00	54,793	100.00
ASSETS				
Non-current assets	25,608	42.81	25,507	46.55
Current assets	34,205	57.19	29,286	53.45
TOTAL ASSETS	59,813	100.00	54,793	100.00
PROFIT OR LOSS				
Revenue	55,367	100.00	37,988	100.00
Gross profit	9,068	16.38	6,402	16.85
Operating profit	4,381	7.91	2,557	6.73
Profit before taxation	2,206	3.98	356	0.94
Profit after taxation	1,591	2.87	224	0.59
<hr/>				
2019	2018	2017	2016	
Rs. in M	Rs. in M	Rs. in M	Rs. in M	%age
30,688	30,280	27,001	25,511	63.26
5,611	5,830	6,502	6,971	17.29
15,012	15,990	10,413	7,845	19.45
51,311	52,100	43,916	40,327	100.00
<hr/>				
24,842	23,752	18,899	18,068	44.80
26,469	28,348	25,017	22,259	55.20
51,311	52,100	43,916	40,327	100.00
<hr/>				
37,621	38,990	42,347	34,124	100.00
6,573	6,997	9,116	8,284	24.28
3,364	3,663	5,155	5,616	16.46
881	1,557	3,603	4,119	12.07
879	1,371	3,308	3,670	10.75

4.7 Trend Analysis of Pak Elektron Ltd. (2017-2021)

4.7.1 Trend Analysis of Balance Sheet

In trend analysis of PEL, the year 2017 is taken as a base year.

The main components are discussed below

Current Assets

The current assets of PEL are increased from 2017-2021. The trend analysis gives the following results

113.31% in 2018, 105.80% in 2019, 117.07% in 2020 and 136.73% in 2021

Reasons of change:

As it is clear from the trend that the current assets are increased but only decreased in 2019 due to the negative impact of Covid-19

Non-Current Assets

The trend of non-current assets is

125.67% in 2018, 131.44% in 2019, 134.96% in 2020, 135.50% in 2021

Reasons of change:

Non-current assets are increased progressively. The reason for the increase is an increase in property, plant, and equipment to meet the increase range of production goal.

Current Liability

Trend analysis of current liability gives the following results:

153.56% in 2018, 144.17% in 2019, 141.79% in 2020, 144.69% in 2021

Reasons of change:

Total current liability decreased in 2019 and 2020 due to the increase in accounts payable because of adverse impact of Covid-19.

Non-Current Liability

Trend analysis of non-current liability gives the following results:

89.66% in 2018, 86.20% in 2019, 127.87% in 2020, 149.48% in 2021

Reasons of change:

Total current Liabilities increased in 2020 and 2021 due to increase in long term debt to maintain the production and supply of its product.

4.7.2 Trend Analysis of Income Statement

In trend analysis of PEL, the year 2017 is taken as a base year.

The main components are discussed below

Revenue/Sales

Trend analysis of non-current liability gives the following results:

92.07% in 2018, 88.84% in 2019, 89.71% in 2020, 130.75% in 2021

Reasons of change:

In 2019, Covid-19 lockdown leads to decrease in sale revenue. In 2020, A slight expansion in sales revenue regardless of Coronavirus lockdown but in 2021 the revenue increases with increase in the production and supply of the company's product.

Profit Margin

Trend analysis of non-current liability gives the following results:

76.76% in 2018, 72.10% in 2019, 70.23% in 2020, 99.47% in 2021

Reasons of change:

Profit margins decreased due to the increase in input cost, increase in interest rate, operating expenses, and finance cost. Whereas Increase profit margin in 2021 is observed.

Profit before and after the tax

Profit before tax gained from net sales is

43.21% in 2018, 24.45% in 2019, 9.88% in 2020, 61.23% in 2021

Profit after tax gained from net sales is

41.44% in 2018, 26.57% in 2019, 6.77% in 2020, 48.10% in 2021

Reasons of change:

In 2019, major tax relief benefit was provided due to Covid-19. In 2020 tax provision was created according to the normal applicable rates.

4.7.3 Trend Analysis of PEL Balance Sheet and Income Statement Graphical and Tabular Illustration

Balance Sheet

YEAR	2021	2020	2019	2018	2017	In Thousands (,000)
Cash	579,397	552,278	513,907	471,258	484,194	
Inventory	10,464,973	9,499,264	7,793,568	10,786,157	8,149,848	
Current Asset	34,204,957	29,286,312	26,469,042	28,347,536	25,017,151	
Investments	13,505	10,653	5,763	6,985	8,848	
Fixed Asset	25,608,208	25,507,031	24,842,140	23,752,403	18,898,865	
Total Assets	59,813,165	54,793,343	51,311,182	52,099,939	43,916,016	
Current Liability	15,067,038	14,764,934	15,012,035	15,989,831	10,413,435	
Fixed Liability	9,719,312	8,313,687	5,611,004	5,830,413	6,501,991	
Total Liabilities	24,786,350	23,078,621	20,623,039	21,820,244	16,915,426	
Paid Up Capital	8,560,120	4,976,814	4,976,814	4,976,814	4,976,814	
Total Equity	35,026,815	31,714,722	30,688,143	30,279,695	27,000,590	

Income Statement

YEAR	2021	2020	2019	2018	2017	In Thousands (,000)
Sales	42,887,364	28,799,018	22,349,749	28,445,311	31,000,042	
Cost Of Sales	33,819,712	22,397,517	19,021,046	21,448,040	21,883,842	
Gross Profit	9,067,652	6,401,501	3,328,703	6,997,271	9,116,200	
Operating Profit	4,562,728	2,597,958	1,763,358	3,708,500	5,313,824	
Other Income	38,595	36,099	33,887	17,977	17,793	
Finance Cost	2,173,765	2,198,358	1,539,898	2,103,343	1,546,604	
Profit Before Tax	2,206,378	355,940	211,336	1,557,302	3,603,465	
Taxation	615,302	132,091	33,494	185,833	295,211	
Profit After Tax	1,591,076	223,849	177,842	1,371,469	3,308,254	

4.8 Horizontal Analysis of Waves Corporation Ltd. (2017-2021)

4.8.1 Horizontal Analysis of Balance Sheet

For horizontal analysis of the balance sheet of the years 2017-2021, we are going to consider its main components.

Main components of balance sheet are as follows:

In equities and liabilities portion of balance sheet, we consider total equities and liabilities which consist of the following items.

- Total equities
- Total liabilities
 - Non-current liabilities
 - Current liabilities.

In assets portion of the balance sheet, we consider total assets which consist of the following items.

- Non-current Assets
- Current assets
- Non-current Assets held for sale

Total Equity

WAVES Corporation limited has the name share capital and reserves for their equity portion of the balance sheet. It consists of the following items.

- Issued, Subscribe and Paid-Up Capital
- Share to be Issued Pursuant to Amalgamation
- Share Premium Reserve
- Capital Reserve
- Revenue Reserve - Un-appropriate profit / Loss
- Surplus on Revaluation of PPE

We saw that total equity increased 2.724% in the year 2018, for the year 2019 it decreased (0.586%) from where it started to increase 1.444% again in 2020 and increase again in 2021 with 3.127%. Overall it was an increasing trend.

- During the year 2021, Shareholders equity has increased during the year on account of issue of right shares to the shareholders of the Company.
- Shareholders equity has increased during the last few years due to merger of Cool Industries with Singer Pakistan and also due to issuance of Bonus Shares. During 2020 and 2019, there has been no significant change from their respective last year.
- During 2018, the equity of the Company has grown over the past 6 years, and has also registered a YOY increase of 2.7% compared to last year 2017.

However, we saw that there was no change in capital reserve account of the company.

Total Liabilities

WAVES Corporation Limited had seen an increasing trend in account for total liabilities. The account for total liabilities consists of current liabilities and non-current liabilities.

We saw that total liabilities increased 25.556% in the year 2018. It increased once again in the year 2019 with a 39.735%. In 2020 it increased again with a 6.460% and in 2021 with a 11.904%.

Current Liabilities

We saw that current liabilities account was constantly increasing throughout the years. With 26.235% increase for 2018, 27.861% increase in 2019, 2.018% increase in 2020 and a 29.473% increase in 2021. We also noticed that it increased the least in the year of 2020, which was also the year in which the company and the whole economy was the most effected by the pandemic; covid-19. During the year 2021, Current liabilities of the Company increased, on account of transfer of current portion of long-term liability and increase in short term financing during the year. The Company has been trying to optimize the Short-Term Borrowings to sustain increased business requirements of the business.

- During the year 2020, Current liabilities of the Company, over the last year have almost remained the same. Company has been trying to optimize the Short Term Borrowings to sustain increased business requirements of the business.

- During the year 2019, short term borrowing has increased to sustain future growth requirements of the business.
- During the year 2018, current liabilities of the Company, over the year have increased from PRs. 4.1 billion to PRs. 5.2 billion at the close of 2018 primarily due to increase in trade payables by PRs. 600 million and short term borrowing.

Non-current Liabilities

We saw an increasing trend for non-current liabilities except for the year 2021. It increased 22.516% in 2018 and 94.487% in 2019. However, it decreased (33.402) in 2021, we noticed that the decrease was highest for the year 2019 and lowest for the year 2020. In 2019, due to Covid-19 many operations and payments were disturbed which increased our non-current liabilities and we can see that as soon as company started to operate normally, this percentage increase decreased to just 19.922 in 2020, eventually the amount of non-current liabilities decreased with (33.402%).

- During the year 2021, deferred taxation increased during the year. The overall reduction is on account of transfer of current portion of long-term debt to current liabilities.
- During the year 2020, the company obtained SBP Payroll/Wages Refinance Facility amounting to PRs. 379 Million due to which long term finances obtained have increased
- During the year 2019, the company has obtained long term lending to finance the working capital required to complement growth in business. Additionally, lease liabilities have also increased due to capitalization of the rented premises.

Current assets

Current assets are those assets which are easily converted to cash or in other words are highly liquid. This account consists of following items:

- Stores, Spares and Loose Tools
- Stock in Trade
- Trade Debts
- Short term Advances, Deposit & Others
- Cash and Bank Balances

We have seen an increasing trend for current assets, which is necessary for normal operation of a company.

We saw that it increased with 26.144% for 2018, and again with 21.905% in 2019. Although in the year 2020 we saw a decrease in the increased percentage as it only increased 9.846, from where it again increased 24.472% in 2021.

- At the close of 2021, the current assets recorded an increase by 24% mainly on account of increase in stocks and trade debts due to growth in sales.
- At the close of 2020, the current assets recorded an increase by 9% mainly on account of increase in trade debts.
- During 2019, the current assets recorder an increase mainly on account of increase in trade debts complementing increased revenue.
- At the close of 2018, the current assets recorded an increase by 26% mainly on account of increase in stock in trade and trade debts.

Non-current Assets

Non-current assets are more of a permanent asset which a company holds and are not highly liquid. It includes:

- o Property, Plant and Equipment
- o Intangible Assets
- o Employee Retirement Benefits-Prepayments
- o Trade debts
- o Long Term Deposits

We saw that for the year 2017, non-current assets only increased 0.876%. However, we saw the largest number of increase in the year 2019 with the increase of 12.113%. From where it decreased by (1.656) % in the year 2020, and the company came renewed with an increase of 7.626% in the year 2021. This increase offset the decrease faced in the year 2020.

- During the year 2021, the Company has invested PRs. 801 million in PPE.
- During the year 2020, the Company has invested PRs. 380 million in PPE.

- During the year 2019, the Company has invested PRs. 939 million in PPE which includes the effect of reevaluation during 2019.
- During the year 2018, non-current assets increased by 1% over the year. Property, plant and equipment increased by PRs. 67 million.

4.8.2 Horizontal Analysis of Income Statement

WAVES Income statement include following items:

- Gross Sales
- Gross Profit
- Admin, Marketing, Selling and Distribution Expenses
- Other Expenses
- Operating Profit
- Finance Cost(net)
- Other Income
- Profit before tax
- Taxation
- Profit after taxation

Gross Sales

We noticed that sales increased more than a 100% for the year 2018 with an increase of 115.158. It started to decrease after that with an increase of 13.549 in the year 2019, after that it decrease (12.266) % in the year 2020. After this period the company reestablished itself with a 20.433% increase in profits overcoming its previous decrease.

Gross Profit

We noticed that gross profit increased the most of about 107.595% in the year 2018, increased 15.429% in the year 2019. It decreased (29.855) % in the year 2020 and increasing again with 23.747% in the year 2021, however it was not able to overcome its last year decrease in gross profit.

Admin, Marketing, Selling and Distribution Expenses

We noticed that the company started to decrease its admin, marketing, selling and distribution expenses in the year 2019 and 2020. We saw an increase of 53.959% in the year 2018, from where it started to decrease with (1.416) % in the year 2019 and (1.534) % in the year 2020. In 2021, it increased 14.233% compared to previous year.

In 2021, the administrative and selling expenses collectively have increased due to high inflation rates during the year and increase in sales.

Other Expenses

Other expenses account showed a decreasing trend with a decrease of (8.414) % in the year 2018, (21.624) % in the year 2019 and an increased decrease of (49.945) % in the year 2020. However, it increased 186.9% during the year of 2021 compared to previous year.

Operating Profit

We saw a most shocking increase of 1278.194% during 2018 compare to 2017. It increased 52.969% in the year 2019, after that a decrease of (63.158) % in the year 2020 compared to previous year. After that operating profit increased with a 38.395% in the year 2021.

Finance Cost (net)

Financing cost increased with a 25.797% in the year 2018 and 148.067% in the year 2019. From where it started to decrease compared to previous years, it decreased (8.860) % in 2020 and (48.665) % in 2021 compared to 2020.

Other Income

We saw that other income account decreased (92.502) % in 2018, and increased an astonishing 321.036% in the year 2019, after that year it increased even more with a percentage of 196.151 in 2020. However, it remained constant for 2021.

Profit before tax

Profit for the year before tax increased 52.157% in the year 2018 compare to 2017. After that it increased 21.763% in 2019 and it decreased with a 56.692% in 2020 compared to 2019. From where it decreased again with a 7.147% in 2021 compared to 2020.

Taxation

We saw that the taxation increased 449.301% in the year 2018 compared to 2017 and increased a little more with a percent of 89.446% in 2019. From where it decreased 41.746% in the year 2020 and increased 32.11% in 2021 compared to its previous year.

Profit after taxation

We saw that profit after taxation increased the most for the year 2021 with a percentage of 157.231. We also saw a decreasing trend from the year 2018-2020. It increased 22.408 in the year 2018, decreased 0.988% in 2019 and decreased again 66.3055% in 2020.

4.8.3 Horizontal Analysis of Waves Corp. Balance Sheet and Income Statement Graphical and Tabular Illustration

WAVES Corporation Limited									
Horizontal Analysis of Income statement									
For the year ended on 31 dec, _									
	2018-2017	% change	2019-2018	%	2020-2019	%	2021-2020	%	
Gross Sales	5496174	115.158	1391356	13.549	-1430198	-12.266	2091375	20.443	
Gross Profit	1180622	107.595	351466	15.429	-784995	-29.855	437989	23.747	
(-) Admin, Marketing, Selling and Distribution Expenses	498766	53.956	-20147	-1.416	-21517	-1.534	196459	14.221	
(-) Other Expenses	-9992	-8.414	-23520	-21.624	-42577	-49.945	79752	186.900	
Operating Profit	691848	1278.194	395133	52.969	-720701	-63.158	161578	38.434	
(-) Finance Cost(net)	55949	25.797	403967	148.067	-59962	-8.860	-300019	-48.639	
Other Income	-460905	-92.502	119936	321.036	308536	196.151	-215864	-46.340	
Profit For the year before tax	174994	52.157	111102	21.763	-352403	-56.692	245933	91.355	
(-) Taxation	105051	449.301	114877	89.446	-101571	-41.746	45514	32.111	
Profit after taxation	69943	22.408	-3775	-0.988	-250832	-66.305	200419	157.231	

WAVES Corporation Limited								
Horizontal Analysis of Balance sheet								
As on 31 dec,								
	2018-2017	% change	2019-2018	% change	2020-2019	% change	2021-2020	% change
EQUITIES AND LIABILITIES								
SHARE CAPITAL AND RESERVES								
Issued, Subscribe and Paid-Up Capital	1177284	259.282	-1445299	-88.596	1690000	908.402	938021	50.000
Share to be Issued Pursuant to Amalgamation	-964500	-100.000	0 -		0 -		0 -	
Share Premium Reserve	-212784	-4.223	-244701	-5.071	0	0.000	444598	9.705
Capital Reserve	0	0.000	0	0.000	0	0.000	0	0.000
Revenue Reserve - Un-appropriate profit / Loss	223187	14.068	-294275	-16.262	144798	9.555	-1341569	-80.810
Surplus on Revaluation of PPE	-705	-0.597	245149	208.824	-24373	-6.723	223527	66.099
TOTAL EQUITIES	222482	2.724	-49126	-0.586	120425	1.444	264577	3.127
Non-controlling interests	0 -		0 -		0 -		1549295 -	
LAIBILITIES								
NON-CURRENT LIABILITIES								
Long Term Loans-Secured	163995	28.858	685000	93.545	589203	41.573	-903376	-45.023
Liabilities Against Assets Subject to Finance Lease	4200	10.979	395209	930.911	-171929	-39.283	-129899	-48.883
Employee Retirement Benefits-Obligation	7296	13.381	-20612	-33.340	-2601	-6.311	-2024	-5.242
Deferred Taxation-Net	24099	9.790	9919	3.670	16704	5.962	170392	57.395
Deferred Income	7535	59.429	-4640	-22.954	5298	34.018	-13093	-62.730
Total Non-Current Liabilities	207125	22.516	1064876	94.487	436675	19.922	-878000	-33.402
CURRENT LAIBILITIES								
Trade and Other Payables	598680	50.270	74896	4.185	-179111	-9.606	611777	36.299
Accrued Interest/Mark-Up	23572	31.955	119228	122.489	-38150	-17.616	5813	3.258
Short-Term Running Finances	246370	8.962	1118295	37.335	-158629	-3.856	1233253	31.183
Loan from Directors - unsecured	0	0.000	0	0.000	380500	0.000	-265200	-69.698
Unclaimed Dividend	0	0.000	-1325	-100.000	0	0.000	0	0.000
Unpaid Dividend	1517	0.000	-60	-3.955	-181	-12.423	-97	-7.602
Current Portion of long-term Liabilities	209834	206.499	136762	43.912	129683	28.933	412287	71.343
Total current liabilities	1079973	26.235	1447796	27.861	134112	2.018	1997833	29.473
TOTAL LAIBILITIES	1287098	25.556	2512672	39.735	570787	6.460	1119833	11.904
TOTAL EQUITIES AND LIABILITIES	1509580	11.434	2463546	16.744	691212	4.024	2933705	16.419

WAVES Corporation Limited								
Horizontal Analysis of Balance sheet								
As on 31 dec,								
	2018-2017	% change	2019-2018	% change	2020-2019	% change	2021-2020	% change
ASSETS								
NON-CURRENT ASSETS								
Property, Plant and Equipment	73694	1.574	949968	19.980	-133406	-2.339	718296	12.893
Intangible Assets	-12772	-0.429	-19422	-0.655	-28978	-0.984	-38905	-1.334
Employee Retirement Benefits-Prepayments	9960	-	-6572	-65.984	-3388	-100.000	0	-
Trade debts	0	-	12493	-	27320	218.682	-20583	-51.699
Long Term Deposits	-3528	-12.987	2751	11.639	-5534	-20.972	-6960	-33.375
Total Non-Current Assets	67354	0.876	939218	12.113	-143986	-1.656	651848	7.625
CURRENT ASSETS								
Stores, Spares and Loose Tools	8117	35.418	6673	21.502	-3945	-10.462	11960	35.423
Stock In Trade	499371	19.263	561763	18.170	-690419	-18.898	1204691	40.657
Trade Debts	1089692	50.524	1000142	30.807	1638091	38.574	971176	16.503
Short term Advances, Deposit & Others	42864	40.099	-4207	-2.809	-39711	-27.283	26909	25.424
Taxation-Net	-11418	-3.301	-98365	-29.410	-48452	-20.522	56000	29.844
Cash and Bank Balances	-186400	-63.913	58322	55.414	-20366	-12.451	9651	6.739
Total Current Assets	1442226	26.144	1524328	21.905	835198	9.846	2280387	24.472
Non current assets held for sale	0	-	0	-	0	-	1470	-
TOTAL ASSETS	1509580	11.434	2463546	16.744	691212	4.024	2933705	16.419

4.9 Vertical Analysis of Waves Corporation Ltd. (2017-2021)

4.9.1 Vertical Analysis of Balance Sheet

Total Equities

For the years in observation we saw a decreasing trend in total equity. Even though the amount was apparently increasing, the actual percent of that amount to the total equities and liabilities was decreasing.

- For year 2017, it was 61.854.
- For year 2018, it was 57.020.
- For year 2019, it was 48.556.
- For year 2020, it was 47.351.
- For year 2021, it was 41.945.

We also observed that even though capital reserves remain constant throughout the years, it was decreasing as well. Capital reserves value was 5000,000 PKR. through years 2017-2021, through vertical analysis we found a decreasing trend for capital reserves.

- For year 2017, it was 0.038.
- For year 2018, it was 0.034.
- For year 2019, it was 0.029.
- For year 2020, it was 0.028.
- For year 2021, it was 0.024.

Total Liabilities

WAVES Corporation Limited had seen an increasing trend in account for total liabilities. The account for total liabilities consists of current liabilities and non-current liabilities.

- For year 2017, it was 38.146.
- For year 2018, it was 42.980.
- For year 2019, it was 51.444.
- For year 2020, it was 52.649.
- For year 2021, it was 50.607.

Although we saw a decrease in total liabilities account for the year 2021, this was because another account was added in the balance sheet known as non-controlling interests holding a 7.448 percent of the total amount of liabilities and equity.

Current Liabilities

We have noticed an increasing trend in current liabilities.

- For year 2017, it was 31.179
- For year 2018, it was 35.320.
- For year 2019, it was 38.683.
- For year 2020, it was 37.937.
- For year 2021, it was 42.191.

Out of which we have seen an increasing trend for short term running finances and current portion of long-term liabilities. Which means that we have to pay more and more portion of long term liabilities i.e. more portion of long term liabilities is due.

Non-current Liabilities

We saw an increasing trend for non-current liabilities. This means the company is constantly expanding and taking part in new projects.

- For year 2017, it was 6.967
- For year 2018, it was 7.660.
- For year 2019, it was 12.761.
- For year 2020, it was 14.711.
- For year 2021, it was 8.416.

Again the decrease seen is due to another account added for that year known as non-controlling interests.

Current assets

Current assets are those assets which are easily converted to cash or in other words are highly liquid.

We have seen an increasing trend for current assets, which is necessary for normal operation of a company.

- For year 2017, it was 41.782.
- For year 2018, it was 47.297.
- For year 2019, it was 49.388.
- For year 2020, it was 52.152.
- For year 2021, it was 55.759.

Non-current Assets

Non-current assets are more of a permanent asset which a company holds and are not highly liquid. It includes:

We saw a decreasing trend for non-current assets, which means that the percentage of the companies' permanent assets compared to other assets are decreasing.

- For year 2017, it was 58.218.
- For year 2018, it was 52.703.
- For year 2019, it was 50.612.
- For year 2020, it was 47.848.
- For year 2021, it was 44.233.

4.9.2 Vertical Analysis of Income Statement (2017-2021)

Gross profit

We saw a decreasing trend in gross profit throughout the years.

- For year 2017, it was 22.991.
- For year 2018, it was 22.183.
- For year 2019, it was 22.550.
- For year 2020, it was 18.029.
- For year 2021, it was 18.524.

We see that for the years 2017-2019 the gross profit was stable at 22% but it suddenly dropped to 18% during years 2020 and 2021, major cause for this sudden drop was covid-19. Although we can see a gain in year 2021, which is a result of the company re-establishing itself.

Admin, Marketing, Selling and Distribution Expenses

We noticed that admin, marketing, selling and distribution expense was only high for 2017. After those years it got to steady figure between 12-13%. We can see that the company started to invest comparatively less on admin, marketing, selling and distribution. We can see that during the time of covid-19 it got to even a lesser percent of 12 % from where after it increased a little more.

- For year 2017, it was 19.368.
- For year 2018, it was 13.859.
- For year 2019, it was 12.032.
- For year 2020, it was 13.504.
- For year 2021, it was 12.808.

Other Expenses

We can see a significant decrease in other expense through out the years. In 2017 it contributed to 2.488% of the total income but now it is only 0.994% of the total amount. It also because the total number of sales increased, so even if the other expense account increased it still contributes lesser than before.

- For year 2017, it was 2.488.
- For year 2018, it was 1.059.
- For year 2019, it was 0.731.
- For year 2020, it was 0.417.
- For year 2021, it was 0.994.

Operating Profit

Operating profit was the highest for the year 2019, from where it decreased dramatically due to the economic conditions enforced by the pandemic; covid-19. However, profits improved in 2021.

- For year 2017, it was 1.134.
- For year 2018, it was 7.264.
- For year 2019, it was 9.786.
- For year 2020, it was 4.110.
- For year 2021, it was 4.722.

Finance Cost(net)

We can see that finance cost was the highest for the year 2020, this was due to covid-19 which stopped most of the operation, hence increasing the financing cost for the year.

- For year 2017, it was 4.544.
- For year 2018, it was 2.657.
- For year 2019, it was 5.804.
- For year 2020, it was 6.030.
- For year 2021, it was 2.570.

Other Income

The earning in “Other income” account was the highest for the year 2017 and second highest was for the year 2020 and 2021; which was the same amount. Although the amount was the same for the year 2020 and 2021, they still contributed different percentages to their respectable years.

- For year 2017, it was 10.440.
- For year 2018, it was 0.364.
- For year 2019, it was 1.349.
- For year 2020, it was 4.554.
- For year 2021, it was 3.781.

Profit before tax

Profit for the year before tax contributed the most for the year 2017, even though the highest amount was from the year 2019. We can see that overall the year of 2019 was the most profitable, seeing that the sales were more than the year of 2017.

- For year 2017, it was 7.030.
- For year 2018, it was 4.971.
- For year 2019, it was 5.331.
- For year 2020, it was 2.632.
- For year 2021, it was 2.029.

Taxation

Taxation for the company was the highest for 2019 and it contributed the highest percent, compared to other years being observed. The company also deferred some of its acquired taxes by going to the court during 2020 and 2021.

- For year 2017, it was 0.490.
- For year 2018, it was 1.251.
- For year 2019, it was 2.087.
- For year 2020, it was 1.386.
- For year 2021, it was 1.520.

Profit after Taxation

The profit after taxation contributed the highest for the year 2017 was due to the fact that it sales were the lowest. In terms of just numbers, the profit after taxation was highest for the year 2018; however, it contributed about half of what was contributed in the year 2017. The lowest amount was seen in the year 2020 and it had the lowest percentage, we can say that it was because of the high financing cost and other kinds of expenses due to covid-19. For the year 2021, the amount of profit after taxation was the higher than that of year 2017, but it still has lesser percentage of contribution in comparison to 2017 is also due to higher number sales in the year 2021 and some other factors.

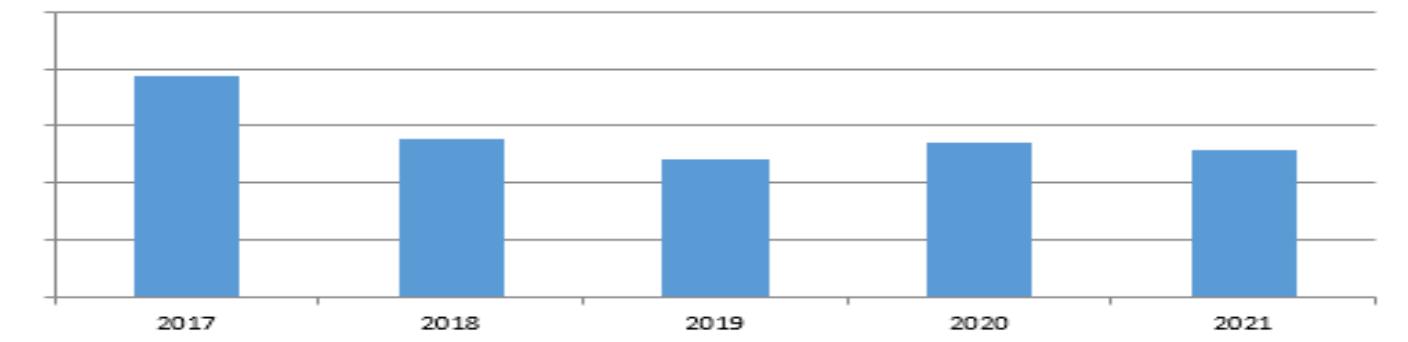
- For year 2017, it was 6.540.
- For year 2018, it was 3.721.
- For year 2019, it was 3.244.
- For year 2020, it was 1.246.
- For year 2021, it was 2.661.

4.9.3 Vertical Analysis of Waves Corp. Balance Sheet and Income Statement Graphical and Tabular Illustration

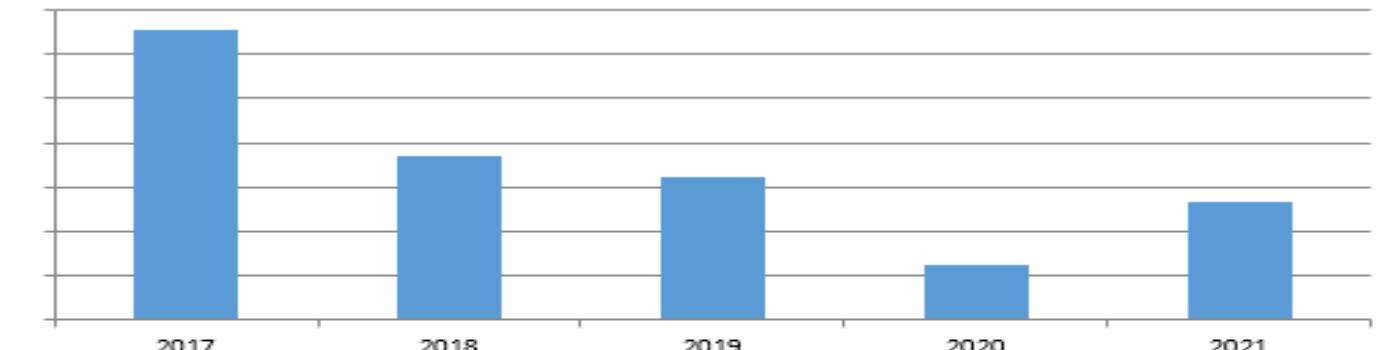
WAVES Corporation Limited					
Vertical Analysis of Income statement					
For the year ended on 31 dec.,					
	2017	2018	2019	2020	2021
Gross Sales	100.000	100.000	100.000	100.000	100.000
Gross Profit	22.991	22.183	22.550	18.029	18.524
(-) Admin, Marketing, Selling and Distribution Expenses	19.368	13.859	12.032	13.504	12.807
(-) Other Expenses	2.488	1.059	0.731	0.417	0.994
Operating Profit	1.134	7.264	9.786	4.110	4.723
(-) Finance Cost(net)	4.544	2.657	5.804	6.030	2.571
Other Income	10.440	0.364	1.349	4.554	2.029
Profit For the year before tax	7.030	4.971	5.331	2.632	4.181
(-) Taxation	0.490	1.251	2.087	1.386	1.520
Profit after taxation	6.540	3.721	3.244	1.246	2.661



Admin, Marketing, Selling and Distribution Expenses



Profit after taxation



WAVES Corporation Limited

Vertical Analysis of Balance sheet

	As on 31 dec, -						2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	
EQUITIES AND LIABILITIES	2017	2018	2019	2020	2021							ASSETS					
SHARE CAPITAL AND RESERVES																	
Issued, Subscribe and Paid-Up Capital																	
Share to be Issued Pursuant to Amalgamation	3,439	11,088	1,083	10,500	13,528							Property, Plant and Equipment	35,454	32,317	33,213	31,181	30,237
Share Premium Reserve	7,305	0,000	0,000	0,000	0,000							Intangible Assets	22,559	20,157	17,153	16,327	13,838
Capital Reserve	38,162	32,800	26,671	25,639	24,161							Employee Retirement Benefits-Prepayment	0,000	0,068	0,020	0,000	0,000
Revenue Reserve - Un-appropriate profit / Loss	0,038	0,034	0,029	0,028	0,024							Trade debts	0,000	0,000	0,073	0,223	0,092
Surplus on Revaluation of PPE	12,016	12,300	8,822	9,291	1,532							Long Term Deposits	0,206	0,161	0,154	0,117	0,067
	0,894	0,798	2,111	1,893	2,700							Total Non-Current Assets	58,218	52,703	50,612	47,848	44,233
TOTAL EQUITIES	61,854	57,020	48,556	47,351	41,945												
Non-controlling interests	0,000	0,000	0,000	0,000	0,000												
LIABILITIES																	
NON-CURRENT LIABILITIES																	
Long Term Loans-Secured	4,304	4,977	8,251	11,230	5,303							Stock In Trade	19,634	21,014	21,270	16,584	20,036
Liabilities Against Assets Subject to Finance Lease	0,290	0,289	2,548	1,487	0,653							Trade Debts	16,336	22,066	24,724	32,935	32,959
Employee Retirement Benefits-Obligation	0,413	0,420	0,240	0,216	0,176							Short Term Advances, Deposit & Others	0,810	1,018	0,847	0,592	0,638
Deferred Taxation-Net	1,864	1,837	1,631	1,662	2,246							Taxation-Net	2,620	2,273	1,375	1,050	1,171
Deferred Income	0,096	0,137	0,091	0,117	0,037							Cash and Bank Balances	2,209	0,715	0,952	0,801	0,735
Total Non-Current Liabilities	6,967	7,660	12,761	14,711	8,416							Total Current Assets	41,782	47,297	49,388	52,152	55,759
CURRENT LIABILITIES																	
Trade and Other Payables	9,020	12,164	10,855	9,433	11,044							Non current assets held for sale	0,000	0,000	0,000	0,000	0,007
Accrued Interest/Mark-Up	0,559	0,662	1,261	0,999	0,886												
Short-Term Running Finances	20,820	20,359	23,949	22,135	24,942												
Loan from Directors -unsecured	0,000	0,000	0,000	2,130	0,554												
Unclaimed Dividend	0,010	0,009	0,000	0,000	0,000												
Unpaid Dividend	0,000	0,010	0,008	0,007	0,006												
Current Portion of long-term Liabilities	0,770	2,117	2,609	3,234	4,760												
Total current liabilities	31,179	35,320	38,683	37,937	42,191												
TOTAL LIABILITIES	38,146	42,980	51,444	52,649	50,607												
TOTAL EQUITIES AND LIABILITIES	100,000	100,000	100,000	100,000	100,000							TOTAL ASSETS	100,000	100,000	100,000	100,000	100,000

4.10 Trend Analysis of Waves Corp. Ltd. (2017-2021)

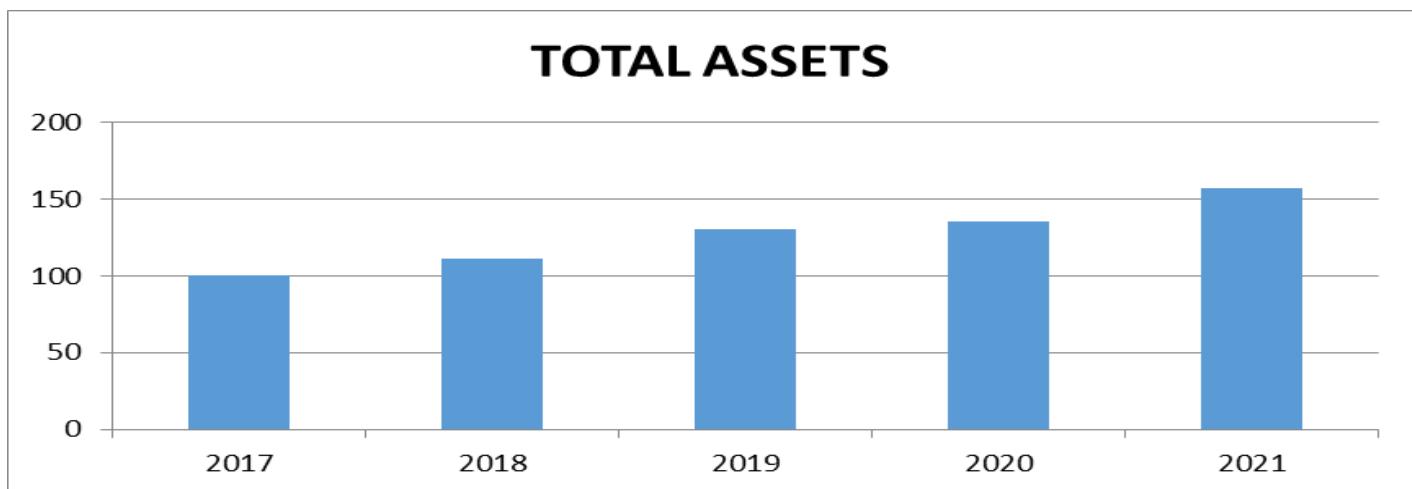
4.10.1 Trend Analysis of Balance Sheet and Income Statement

In trend analysis of Waves, the year 2017 is taken as a base year.

The main components are discussed below

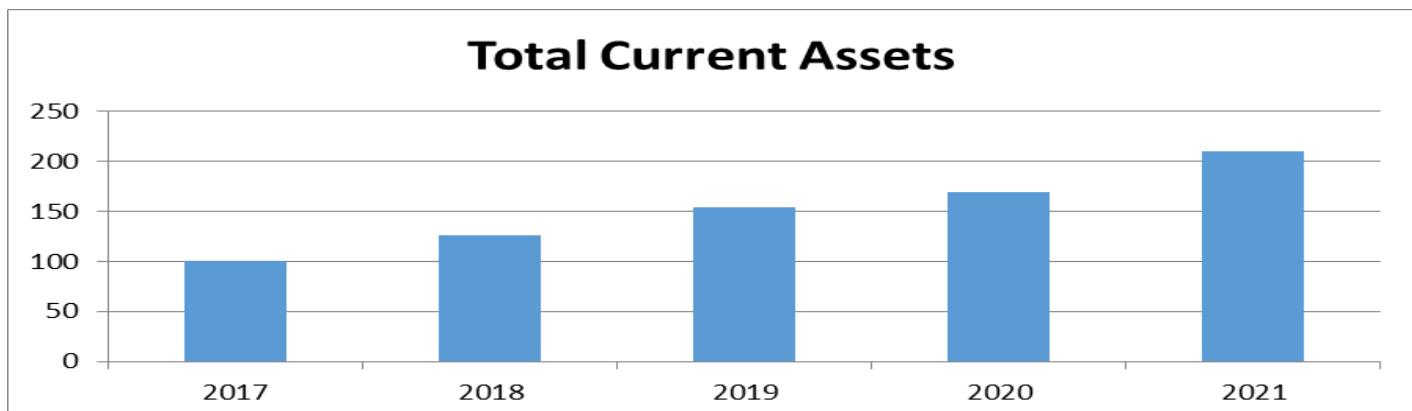
Total Assets

We saw a continuous rising trend for total assets. This could be due to continuous advancement of sales and revenue. However, an investment in property, plant and equipment also impacts total assets and liabilities, which we have seen throughout the years. We can see that total non-current assets gradually increased throughout the years, only time it disobeyed this trend was in 2020 where it slightly decreased from the previous year. However, the company was able to cover it up in 2021



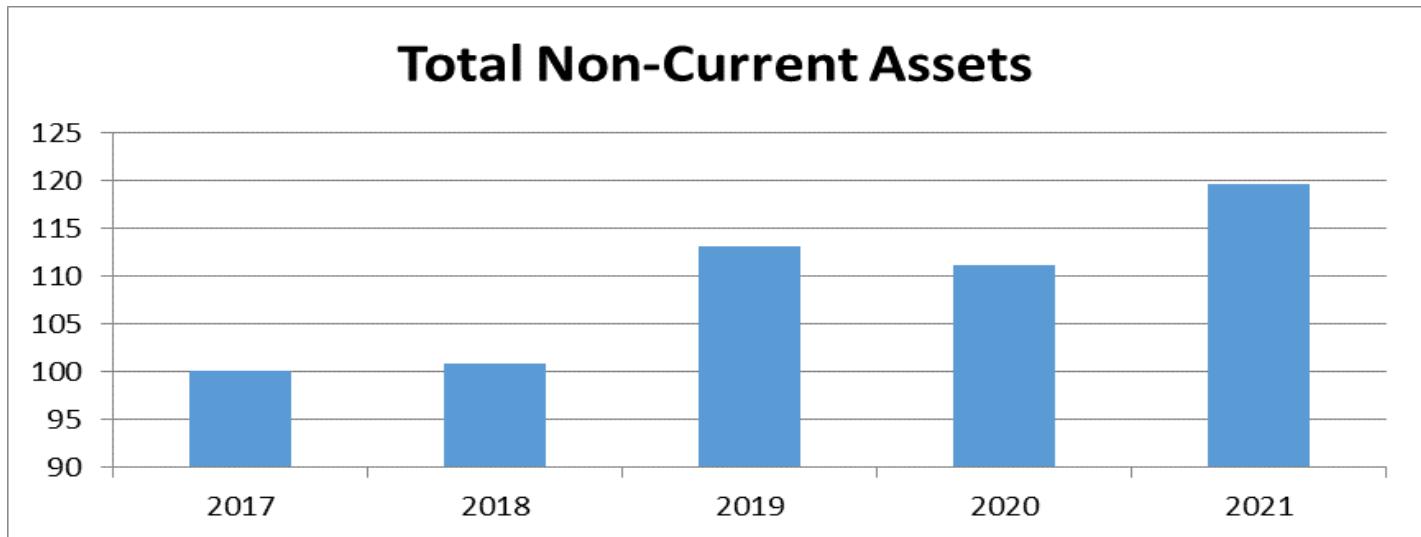
Total Current Assets

We can see an increasing trend throughout the years for total current assets. Total current assets increased so much so that the amount for 2021 was twice the amount for 2017.



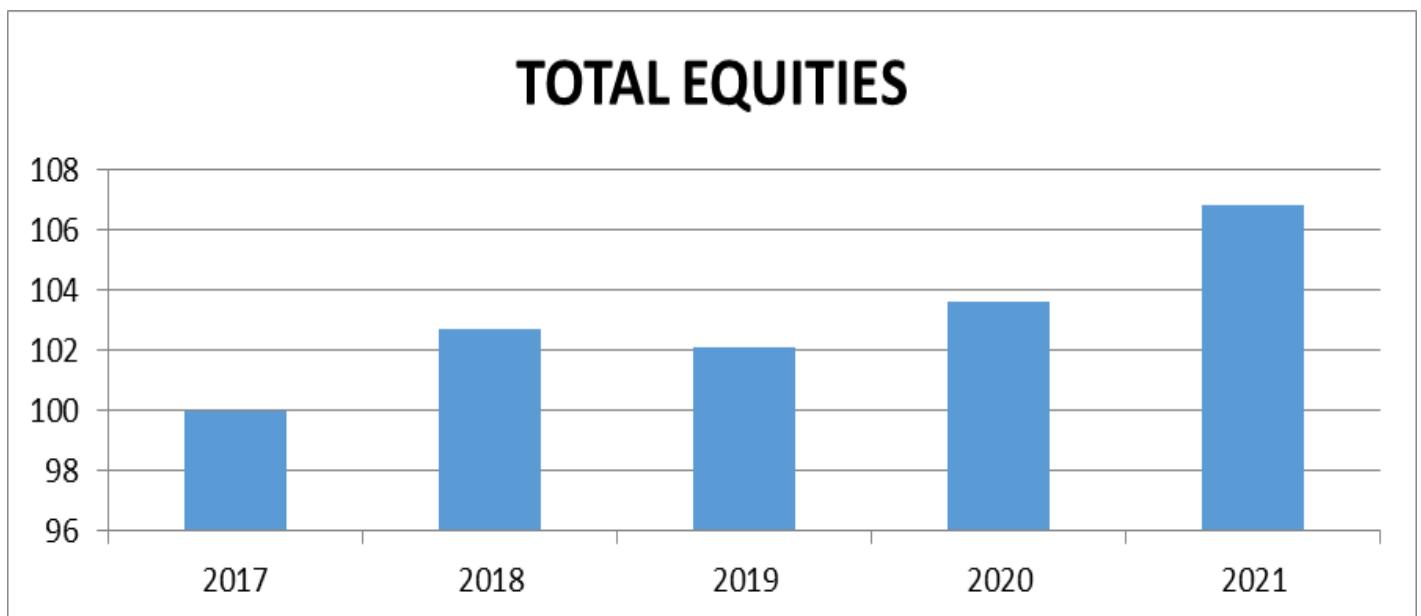
Total Non-Current Assets

We can see that total non-current assets gradually increased throughout the years, only time it disobeyed this trend was in 2020 where it slightly decreased from the previous year. However, the company was able to cover it up in 2021.



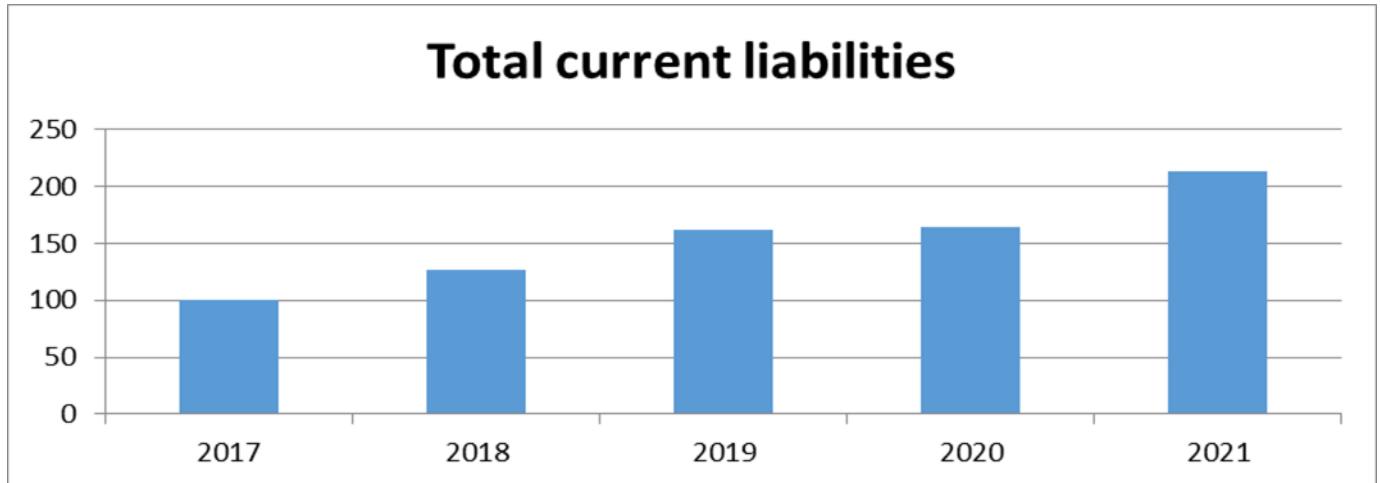
Total Equity

The account for total equities remained about constant throughout the years, where the highest was the year 2021 with 106.8 index value.



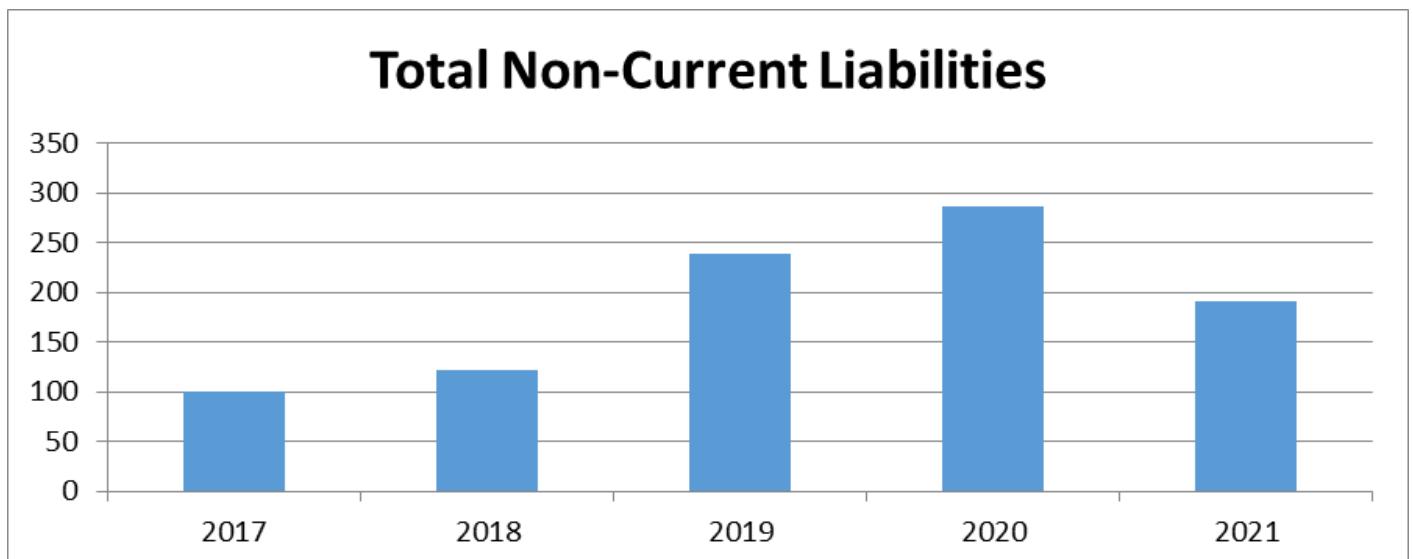
Total Current Liabilities

Total current liabilities account showed an increasing trend reaching its highest peak at about twice its base year amount in the year 2021 with the index value of 213.2.



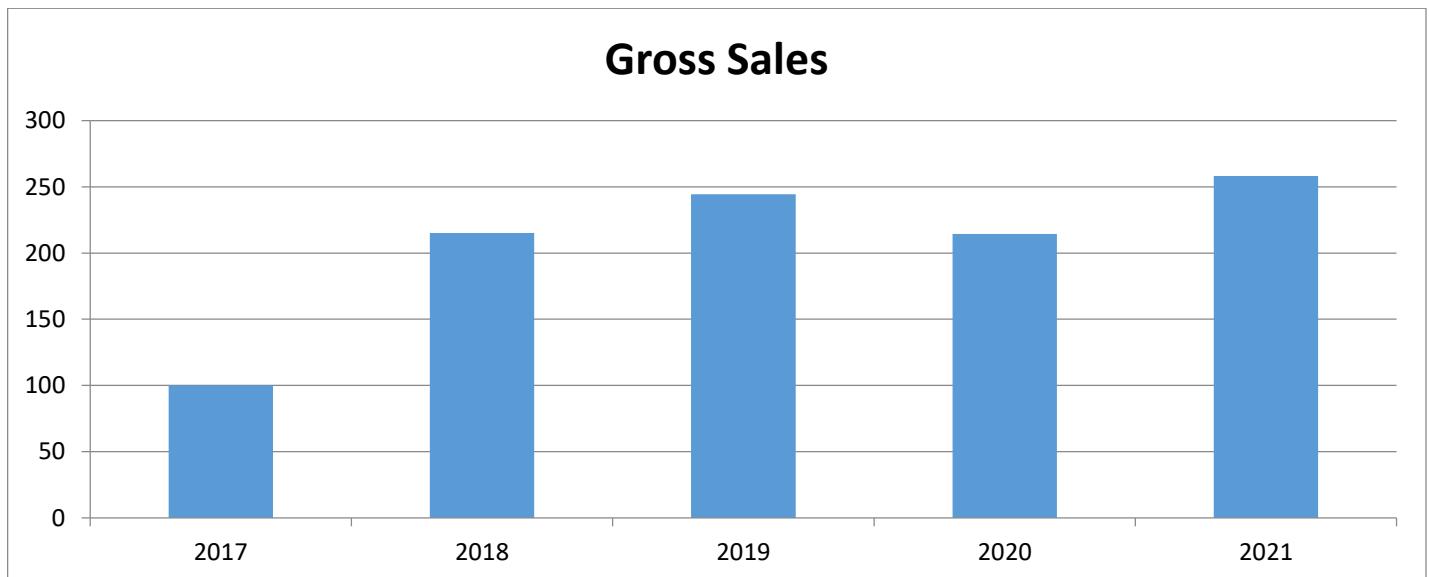
Total Non-Current Liabilities

We saw that the account for the total non-current liabilities was increasing continuously till the year 2020, where it was at its highest peak of 285.7. However, it decreased a lot in the year 2021, with the index value of 190.3.



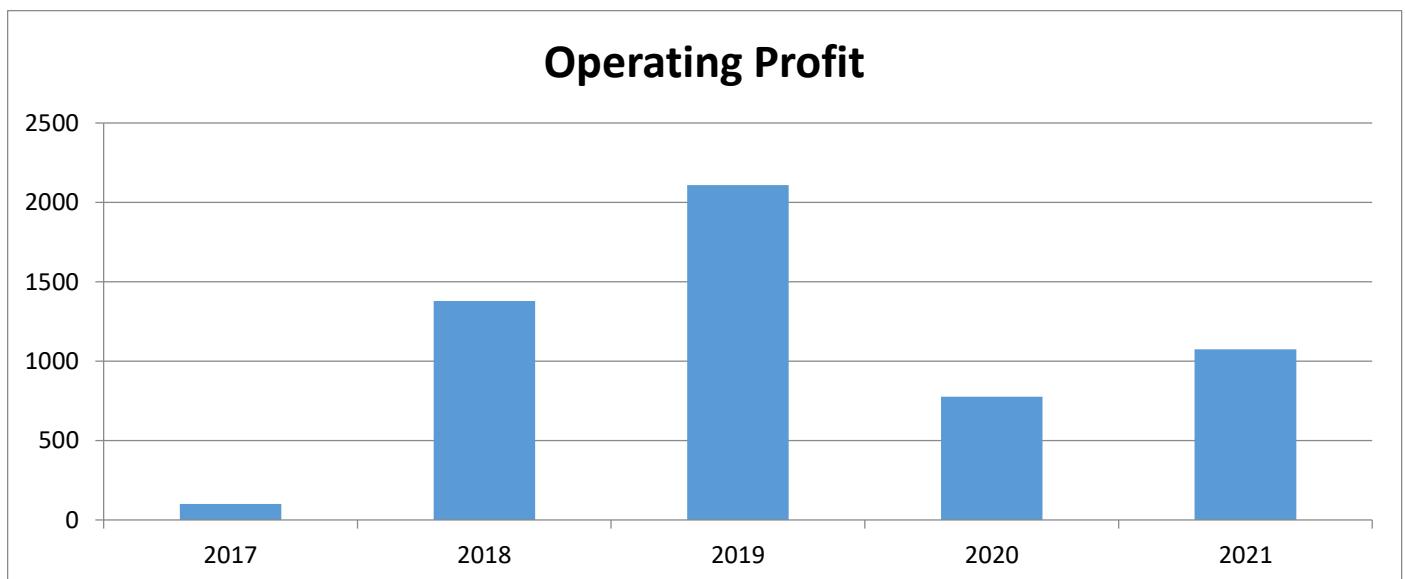
Gross Sales:

We saw that the sales were the most for the year 2021 with an index of 258.16. We saw a slight decrease in sales during 2020, which proved to be a very difficult year for most companies. However WAVES was able to maintain a certain amount of its sales with just a few points slower than what was seen in 2018.



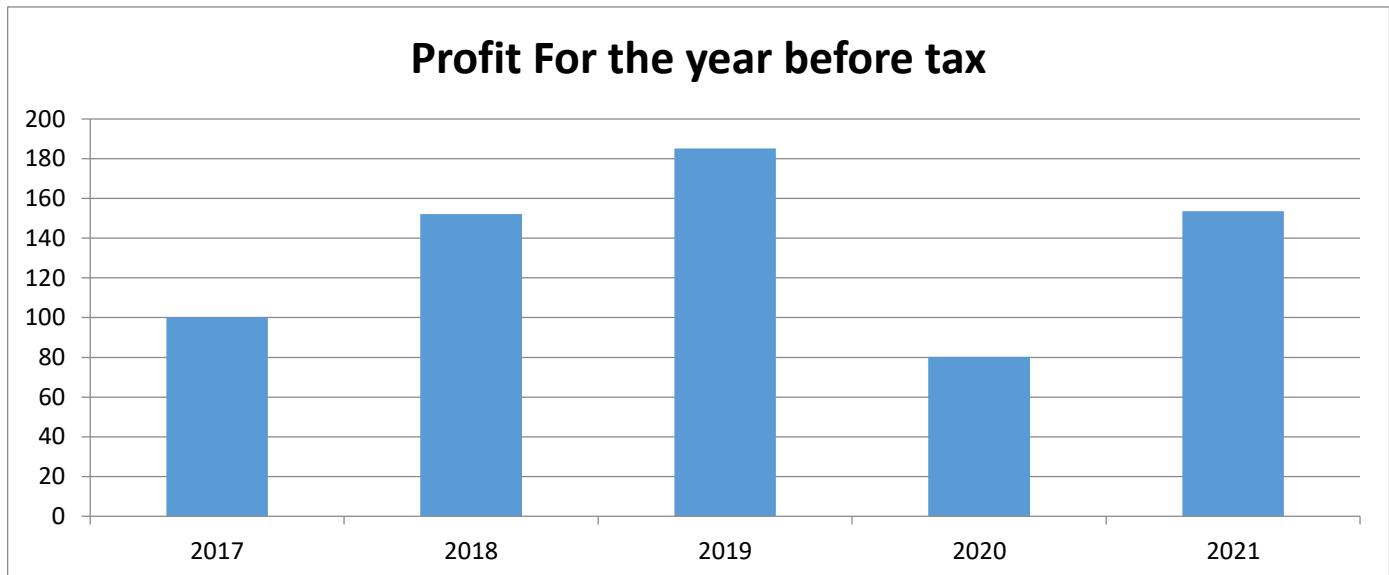
Operating Profit:

We saw the most operating profit during the year 2019 with an index of 2108.2 and least for 2020 with an index of 776.70. It was least for the year 2020 because of the economic situation prevailing in the country which made it very difficult to operate because of new rules and regulations regarding health and safety. However, the company was able stabilize the operating profit once again in the year 2021.



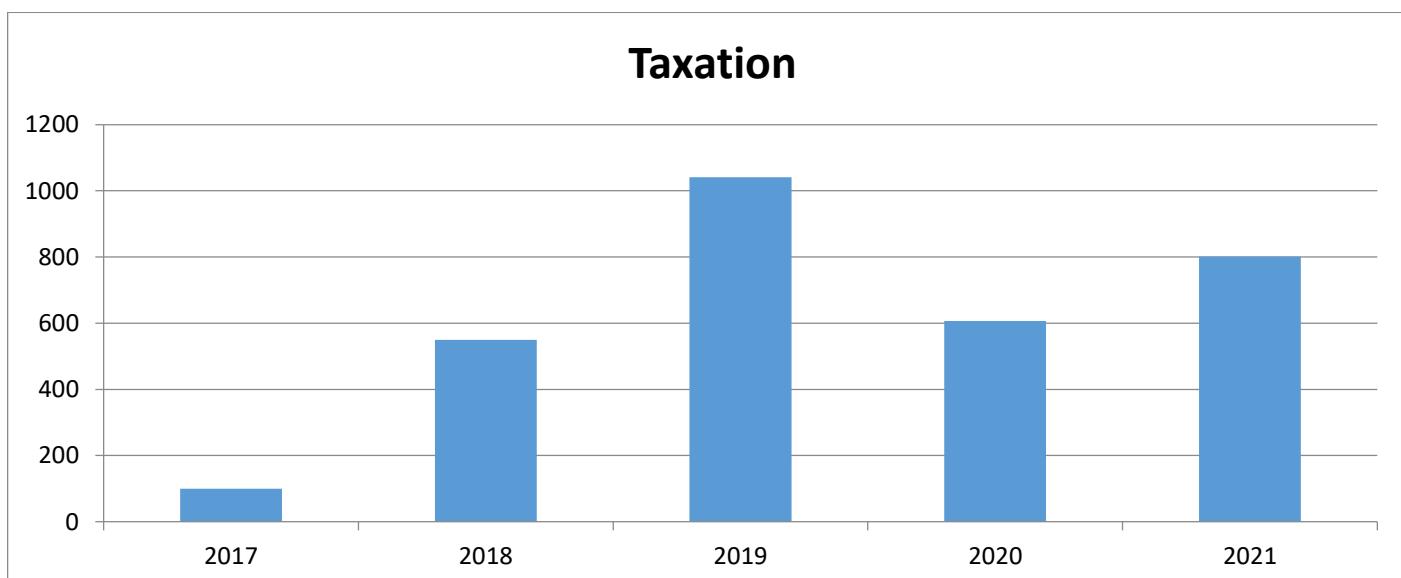
Profit for the year before taxation:

We saw that the company had the least index for the year 2020 due to covid-19, which was even less than our base year 2017 with an index of 80.2. However the company was able to stabilize its profit in 2021 with an index of 153.



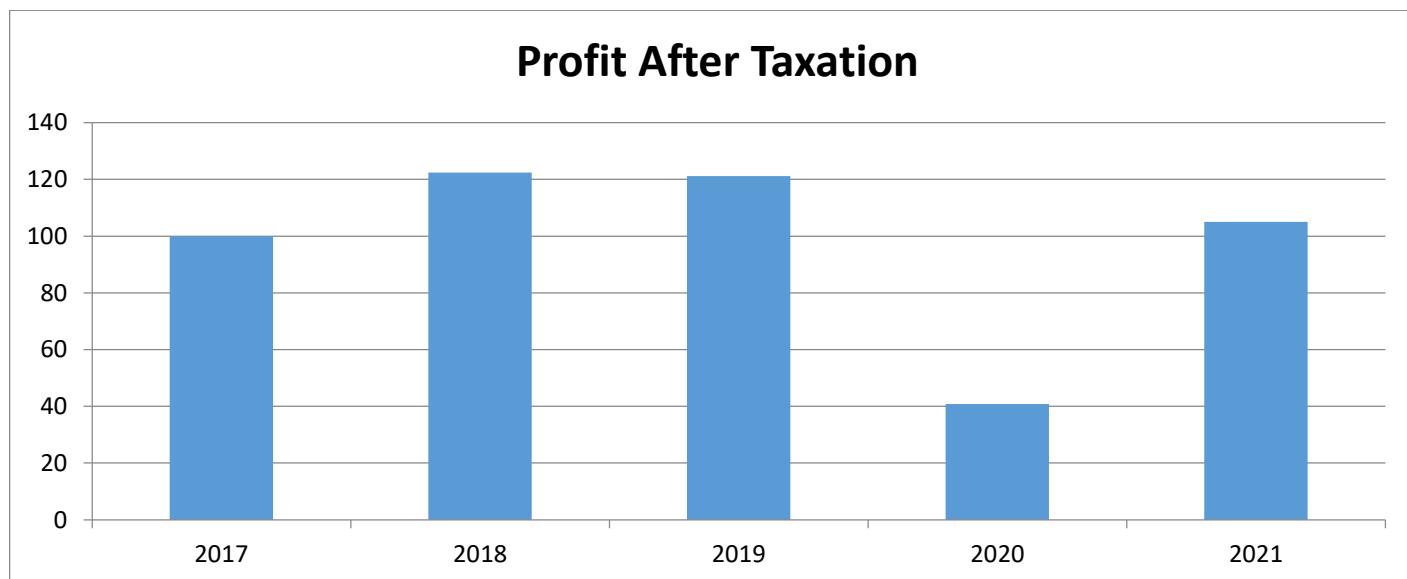
Taxation:

We saw a constantly increasing trend for taxation regardless the perilous economic situation. It was the highest for the year 2019 and the least for 2018 with an index of 1040 and 549 respectively. We saw that despite the perilous economic conditions, taxation was still at an index of 606.



Profit after taxation:

We saw that company was maintaining its profit at an index of 121-122 for the year 2018 and 2019, however it clashed down to 40 in 2020 because of the covid-19. This drastic drop was also because of the high taxation during that year. The company was able to revive itself back in 2021 with an index of 105, which was not quite as high as in 2018 and 2019 but still a major improvement to stabilize the company.



4.10.2 Trend Analysis of Waves Corp. Balance Sheet and Income Statement Graphical and Tabular Illustration

Income Statement

YEAR	In Thousands (,000)					
	2021	2020	2019	2018	2017	CHART
Sales	10,439,010	8,525,481	9,483,974	8,516,016	3,685,623	
Cost Of Sales	8,156,644	6,681,104	6,854,602	6,238,110	2,588,339	
Gross Profit	2,282,366	1,844,377	2,629,372	2,277,906	1,097,284	
Operating Profit	704,245	462,878	1,226,356	854,743	192,219	
Other Income	249,967	465,831	157,295	37,359	498,264	
Finance Cost	705,015	879,695	867,850	430,503	296,235	
Profit Before Tax	515,139	269,206	621,609	510,507	335,513	
Taxation	187,252	141,738	243,309	128,432	23,381	
Profit After Tax	318,620	127,468	378,300	382,075	312,132	

Balance Sheet

YEAR	In Thousands (,000)					
	2021	2020	2019	2018	2017	CHART
Cash	152,854	143,203	163,569	105,247	291,647	
Inventory	4,167,736	2,963,045	3,653,464	3,091,701	2,592,330	
Current Asset	11,600,068	9,318,211	8,483,007	6,958,685	5,516,459	
Investments	0	0	0	0	173,501	
Fixed Asset	9,201,065	8,549,217	8,693,209	7,753,985	7,686,631	
Total Assets	20,801,133	17,867,428	17,176,216	14,712,670	13,203,090	
Current Liability	8,776,273	6,778,440	6,644,328	5,196,532	4,116,559	
Fixed Liability	1,750,564	2,628,564	2,191,889	1,127,013	919,888	
Total Liabilities	10,526,837	9,407,004	8,836,217	6,323,545	5,036,447	
Paid Up Capital	2,814,060	2,814,060	1,876,040	1,876,040	1,631,340	
Total Equity	10,274,296	8,460,424	8,339,999	8,389,125	8,166,643	

4.11 Horizontal Analysis Siemens Co. Ltd. (2017-2021)

4.11.1 Horizontal Analysis of Balance Sheet

In balance sheet's horizontal analysis, the main components of balance sheet are Current Assets, non-current assets, Current liability, and non-current liability.

Current Assets

Horizontal growth of current assets is 29.85 % in 2017-18, -11.57% in 2018-19, -15.43% in 2019-20 and 34% in 2020-21

Reasons of change:

In 2019, current assets decreased due to recovery of investments in inventories. In 2020, current assets increased because operations increased due to increase in demand. In 2021, an increase in sales results in an increase in account receivable which leads to an increase in current assets.

Non-current Assets

Horizontal growth of non-current assets is -11.2% in 2017-18, 13.9% in 2018-19, -7.93% in 2019-20 and -18.7% in 2020-21

Reasons of change:

In 2020, non-current assets increased as compared to 2019, as the operations resumed after covid-19. In 2018 the growth in non-current assets is observed due to an increase in property, plant, and equipment to support the increasing range of products.

Current Liability

Horizontal growth of current liability is 33.24% in 2017-18, -14.92% in 2018-19, -20.7% in 2019-20 and 39.64% in 2020-21

Reasons of change:

In 2017, current liability increased to cater for the increased workload. In 2018 and 2019, current liability decreased due to a reduction in short term debt. In 2020, Trade debts have also increased slightly. The reason being that the credit period was extended to cater to the cash crunch faced by the customers during the period of Covid-19.

Non-current Liability

Horizontal growth of non-current liability is 149% in 2017-18, 47.3% in 2018-19, 853% in 2019-20 and -25.14% in 2020-21

Reasons of change:

Non- current liabilities increased due to the increase in funds raised to expand the business.

Total Equity

Horizontal growth of total equity is 8.5% in 2017-18, 3.7% in 2018-19, -17% in 2019-20 and 16.86% in 2020-21

Reasons of change:

In 2019 decline in equity was observed due to Covid-19

4.11.2 Horizontal Analysis of Income Statement

In the income statement's horizontal analysis, the main components are Revenue, Gross profit, Operating profit, Profit before taxation, Profit after taxation.

Revenue/Sales

Horizontal growth of revenue is 34.15% in 2017-18, -14.6% in 2018-19, -23.2% in 2019-20 and 12.05% in 2020-21

Reasons of change:

In 2019, Covid-19 lockdown leads to decrease in sale revenue. In 2020, A slight expansion in sales revenue regardless of lockdowns is owing to getting of ideal requesting for the company's power products.

Profit Margin

Horizontal growth of profit margin is -4.8% in 2017-18, 2.92% in 2018-19, -4.6% in 2019-20 and 34.9% in 2020-21

Reasons of change:

Profit margins decreased due to the increase in input cost, increase in interest rate, operating expenses, and finance cost.

Profit before and after the tax

Profit before tax gained from net sales is 513.2% in 2021-20, -81% in 2020-19, -46.3% in 2019-18, 53.4% in 2018-17. Profit after tax gained from net sales is 71.36% in 2021-20, -30% in 2020-19, -39% in 2019-18, 5% in 2018-17.

Reasons of change:

In 2019, major tax relief benefit was provided due to Covid-19. In 2020 tax provision was created according to the normal applicable rates.

4.11.3 Horizontal Analysis of Siemens Ltd. Balance Sheet and Income Statement Graphical and Tabular Illustration

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Horizontal Analysis of Income Statement					
As on September 30, _					
	2017	2018	2019	2020	2021
Net sales and services	34.1456971	-14.594706	-23.19659	12.05412	
(-) Cost of Sales And Services	33.8427031	-12.637999	-15.916	0.078742	
Gross Profit	35.6542399	-24.206643	-64.41991	172.2945	
(-) Marketing And Selling Expense	-7.4802816	-2.1712544	-8.953435	23.55989	
(-) (Allowances for)/ Reversal of Expected Credit Losses					
(-) General Administrative Expenses	5.74082534	20.2040431	7.226426	9.603184	
	-4.7696911	2.92243449	-4.651663	34.89161	
Gain on Disposal Of Assets Classified As Held for sales	0	0	0	0	
Other Income	6891.79763	-97.98963	-46.48759	441.7048	
(-) Other Operating Expenses	51.5944727	-46.218452	-100	0	
Net Other Income	-47.180939	35.2860264	-117.962	1794.731	
Operating Profit / Losses	73.0446278	-37.131333	-103.8736	2553.472	
Financial Income	-75.744414	-82.18986	10.90248	768.6647	
(-) Financial Expenses	386.518771	199.72566	-25.36685	-81.12963	
Net Finance Income / (Expenses)	-131.32548	444.26172	-26.39634	117.4742	
Profit/Loss Before Tax	53.8367925	-46.344275	-118.9142	713.2127	
(-) Income Tax	208.240765	-54.486193	-44.92423	100.5154	
Net Profit/Loss For the Year	5.05928968	-38.797812	-169.9137	271.3668	

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Horizontal Analysis of Balance Sheet					
As on September 30, _					
		2018	2019	2020	2021
Equity and Liabilities					
Share Capital And reserves					
Share Capital					
Authorized		0.00	0.00	0.00	0.00
Issued, Subscribe and paid-up		0.00	0.00	0.00	0.00
Reserves					
Capital		0.00	0.00	0.00	0.00
Revenue		9.77	4.13	-19.29	19.65
Total reserves		8.61	3.67	-17.25	17.14
Total Equity		8.48	3.62	-17.02	16.86
Non-Curent Liabilities					
Long Term Financing		0.00	0.00	0.00	-76.07
Lease Liabilities		0.00	0.00	0.00	-28.06
Deffered Liabilities		0.00	0.00	0.00	-7.40
Retention Liabilities		186.24	-59.67	-21.77	-93.31
Other liabilities		47.33	17.90	-100.00	0.00
Total Non-Current Liabilities		148.88	-47.32	853.15	-25.14
Current Liabilities					
Trade and Other Payables		-1.29	-14.81	-9.17	16.60
Contract Liabilities		0.00	29.80	-24.57	137.88
Current Portion of the Non-Current Liabilities		0.00	0.00	0.00	6.52
Short Term Running Finances		1,020.76	-57.70	-99.81	-100.00
Provisions		-39.47	2.78	-16.78	-0.16
Taxtion - Net		50.08	-19.44	-63.64	82.73
Unclaimed Dividend		0.00	7.68	4.72	-0.63
Total Current Liabilities		33.24	-14.92	-20.75	39.64
Total Liabilities		34.12	-15.37	-13.15	33.46
Total Equities and Liabilities		24.66	-9.28	-14.57	27.55
Assets					
Non-Current Assets					
Property, Plant and Equipment		24.13	-2.57	-25.97	7.29
Right to Use Assets		0.00	0.00	0.00	-24.03
Intangible Assets		-8.87	-65.07	-71.01	-100.00
Long Term Loans and Trade Receivables		-9.06	72.48	-34.36	0.02
Long Term Payments		-49.47	-95.39	-100.00	0.00
Deffered Tax assets - Net		-21.64	-1.34	3.36	-34.87
Total Non- Current Assets		-11.22	13.96	-7.93	-18.78
Current Assets					
Inventories		-18.73	-0.66	-38.14	67.42
Trade Receivables		60.53	14.30	-10.45	27.94
Contract Assets		150.42	-43.85	-12.18	-29.68
Loans and Advance		75.61	11.30	-27.88	-29.00
Deposit and Short Term Payments		103.18	-28.53	12.67	-17.22
Other Receivables		154.71	-16.31	-44.20	31.59
Cash and Bank Balance		-61.32	-61.84	-20.89	448.90
Total Current Assets		29.85	-11.57	-15.43	34.00
Assets Classified as Held For Sale		0.00	0.00	0.00	-100.00
Total Assets		24.66	-9.28	-14.57	27.55

4.12 Vertical Analysis Siemens Co. Ltd. (2017-2021)

4.12.1 Vertical Analysis of Balance sheet

Current Assets

Vertical analysis overall impact of current assets on total assets are given as:

88% in 2017, 91% in 2018, 88% in 2019, 88% in 2020, 92% in 2021.

Reasons of change:

The increase in current assets is observed in vertical analysis due to the increase in sales and trade debt.

Overall impact of current assets remains stable.

Non-Current Assets

Vertical analysis overall impact of non-current assets on total assets are given as:

12.7% in 2017, 9% in 2018, 11.3% in 2019, 12.17% in 2020, 7.8% in 2021.

Reasons of change:

Increase in non-current asset is observed due to increase in property, plant, and equipment to support the increasing range of products.

Current Liability

Vertical analysis overall impact of current liability on total liability are given as:

63% in 2017, 67% in 2018, 63% in 2019, 58% in 2020, 64% in 2021.

Reasons of change:

In 2020 current liability decreased from 58% to 64% due to a decrease in short term debt.

Total Equity

Vertical analysis overall impact of equity on total liability and equity are given as:

36.9% in 2017, 32.08% in 2018, 36.64% in 2019, 35.59% in 2020, 32.6% in 2021.

Reasons of change:

Overall total equity remains stable and steady throughout.

4.12.2 Vertical Analysis of Income Statement

Profit Margin

Vertical analysis overall impact of current assets on total assets are given as:

16.7% in 2017, 16.91% in 2018, 15% in 2019, 6.95% in 2020 and 16.90% in 2021

Reasons of change:

In 2017-20 Profit margins decreased due to the increase in input cost, increase in interest rate, operating expenses, and finance cost. In 2021 profit margin increased as the company disciplined expense management and lower borrowing cost.

Profit before and after the tax

Profit before tax gained from net sales is

10% in 2021-20, 1.77% in 2020-19, 7.19% in 2019-18, 11.45% in 2018-17 and 10% in 2017-16.

Profit after tax gained from net sales is

6% in 2021-20, 3.9% in 2020-19, 4.1% in 2019-18, 6% in 2018-17 and 8% in 2017-16.

4.12.3 Vertical Analysis of Siemens Ltd. Balance Sheet and Income Statement Tabular Illustration

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Vertical Analysis of Income Statement					
As on September 30, _					
	2017	2018	2019	2020	2021
Net sales and services	100.00	100.00	100.00	100.00	100.00
(-) Cost of Sales And Services	83.27	83.09	84.99	93.05	83.10
Gross Profit	16.73	16.91	15.01	6.95	16.90
(-) Marketing And Selling Expense	5.60	3.86	4.42	5.24	5.78
(-) (Allowances for)/ Reversal of Expected Credit Loss	0.00	0.00	0.00	0.00	1.04
(-) General Administrative Expenses	1.44	1.14	1.60	2.24	2.19
	7.04	5.00	6.03	7.48	9.01
Gain on Disposal Of Assets Classified As Held for sale	0.00	0.00	0.00	0.00	1.73
Other Income	0.11	5.72	0.13	0.09	0.45
(-) Other Operating Expenses	0.75	0.85	0.54	0.00	0.59
Net Other Income	-0.64	-0.25	-0.40	0.09	1.59
Operating Profit / Losses	9.04	11.66	8.58	-0.43	9.48
Financial Income	1.05	0.19	0.04	0.06	0.44
(-) Financial Expenses	0.11	0.41	1.44	1.39	0.23
Net Finance Income / (Expenses)	0.94	-0.22	-1.40	-1.34	0.21
Profit/Loss Before Tax	9.98	11.44	7.19	-1.77	9.69
(-) Income Tax	2.40	5.50	2.93	2.10	3.76
Net Profit/Loss For the Year	7.58	5.94	4.26	-3.87	5.92

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Vertical Analysis of Balance Sheet					
As on December 31, -					
	2017	2018	2019	2020	2021
Equity and Liabilities					
Reserves					
Capital	4.32	3.47	3.82	4.47	3.51
Revenue	31.98	28.16	32.32	30.53	28.64
Total reserves	36.30	31.63	36.14	35.00	32.15
Total Equity	36.87	32.08	36.64	35.59	32.61
Non-Curent Liabilities					
Long Term Financing	0.00	0.00	0.00	0.94	0.18
Lease Liabilities	0.00	0.00	0.00	0.80	0.45
Deffered Liabilities	0.00	0.00	0.00	4.08	2.96
Retention Liabilities	0.35	0.80	0.35	0.32	0.02
Other liabilities	0.13	0.15	0.20	0.00	0.00
Total Non-Current Liabilities	0.48	0.95	0.55	6.15	3.61
Current Liabilities					
Trade and Other Payables	51.40	40.70	38.22	40.64	37.15
Contract Liabilities	0.00	8.74	12.51	11.04	20.59
Current Portion of the Non-Current Liabilities	0.00	0.00	0.00	1.15	0.96
Short Term Running Finances	1.16	10.42	4.86	0.01	#VALUE!
Provisions	7.25	3.52	3.99	3.89	3.04
Taxtion - Net	2.84	3.42	3.03	1.29	1.85
Unclaimed Dividend	0.00	0.17	0.20	0.24	0.19
Total Current Liabilities	62.65	66.97	62.80	58.26	63.78
Total Liabilities	63.13	67.92	63.36	64.41	67.39
Total Equities and Liabilities	100.00	100.00	100.00	100.00	100.00
Assets					
Non-Current Assets					
Property, Plant and Equipment	2.16	2.15	2.31	2.01	1.69
Right to Use Assets	0.00	0.00	0.00	0.94	0.56
Intangible Assets	0.03	0.02	0.01	0.00	0.00
Long Term Loans and Trade Receivables	2.67	1.94	3.70	2.84	2.23
Long Term Payments	0.05	0.02	0.00	0.00	0.02
Deffered Tax assets - Net	7.71	4.85	5.27	6.38	3.26
Total Non- Current Assets	12.62	8.99	11.29	12.17	7.75
Current Assets					
Inventories	11.20	7.30	7.99	5.79	7.60
Trade Receivables	34.11	43.92	55.33	58.00	58.18
Contract Assets	12.38	24.87	15.39	15.82	8.72
Loans and Advance	0.90	1.26	1.55	1.31	0.73
Deposit and Short Term Payments	0.53	0.87	0.68	0.90	0.59
Other Receivables	2.32	4.74	4.37	2.85	2.94
Cash and Bank Balance	25.94	8.05	3.39	3.14	13.49
Total Current Assets	87.38	91.01	88.71	87.81	92.25
Total Assets	100.00	100.00	100.00	100.00	100.00

4.13 Trend Analysis of Siemens Co. Ltd. (2017-2021)

4.13.1 Trend Analysis of Balance Sheet

In trend analysis of Siemens, the year 2017 is taken as a base year.

Current Assets

The current assets of Siemens are increased from 2017-2021. The trend analysis gives the following results
130% in 2018, 115% in 2019, 97% in 2020 and 130% in 2021

Reasons of change:

As it is clear from the trend that the current assets have increased but only decreased in 2020 due to the negative impact of Covid-19

Non-Current Assets

The trend of non-current assets is

83% in 2018, 102% in 2019, 93% in 2020, 75% in 2021

Reasons of change:

Non-current assets have increased progressively and remain stable. The reason for the steady increase is due to increase in property, plant, and equipment to meet the increase range of production goal.

Current Liability

Trend analysis of current liability are 134% in 2018, 114% in 2019, 90% in 2020, 125% in 2021.

Reasons of change:

Total current liability decreased in 2019 and 2020 due to the decrease in accounts payable and borrowings through external financing.

Non-Current Liability

Trend analysis of non-current liability are 249% in 2018, 131% in 2019, 1249% in 2020, 935% in 2021.

Reasons of change:

Total current Liabilities increased in 2020 and 2021 due to increase in long term debt to maintain the production and supply of its products.

4.13.2 Trend Analysis of Income Statement

In trend analysis of Siemens, the year 2017 is taken as a base year.

The main components are discussed below

Revenue/Sales

Trend analysis of non-current liability gives the following results:

135% in 2018, 115% in 2019, 88% in 2020, 99% in 2021

Reasons of change:

In 2020, Covid-19 lockdown leads to decrease in sale revenue. In 2021, A slight expansion in sales revenue due to resumption of normal activities and operations at business.

Profit Margin

Trend analysis of non-current liability gives the following results:

136% in 2018, 103% in 2019, 37% in 2020, 100% in 2021

Reasons of change:

Profit margins decreased due to the increase in input cost, increase in interest rate, operating expenses, and finance cost. Whereas Increase profit margin in 2021 is observed.

Profit before and after the tax

Profit before tax gained from net sales is 154% in 2018, 83% in 2019, 15.7% in 2020, 96% in 2021

Profit after tax gained from net sales is 105% in 2018, 64% in 2019, 45% in 2020, 77% in 2021

Reasons of change:

In 2019, major tax relief benefit was provided due to Covid-19. In 2020 tax provision was created according to the normal applicable rates.

4.13.3 Trend Analysis of Siemens Ltd. Balance Sheet and Income Statement Graphical and Tabular

Illustration

Balance Sheet

YEAR						In Thousands (,000)
	2021	2020	2019	2018	2017	CHART
Cash	2,402,311	437,657	553,204	1,449,708	3,748,015	
Inventory	1,352,302	807,716	1,305,741	1,314,431	1,617,439	
Current Asset	16,424,782	12,260,095	14,493,932	16,390,641	12,623,080	
Investments	0	0	0	0	0	
Fixed Asset	1,379,903	1,698,877	1,845,284	1,619,188	1,823,794	
Total Assets	17,804,685	13,958,972	16,339,216	18,009,829	14,446,874	
Current Liability	11,355,951	8,648,157	10,261,739	12,060,756	9,051,602	
Fixed Liability	642,437	342,158	90,033	170,904	68,668	
Total Liabilities	11,998,388	8,990,315	10,351,772	12,231,660	9,120,270	
Paid Up Capital	82,470	82,470	82,470	82,470	82,470	
Total Equity	5,806,297	4,968,657	5,987,444	5,778,169	5,326,604	

Income Statement

YEAR						In Thousands (,000)
	2021	2020	2019	2018	2017	CHART
Sales	14,348,950	12,805,375	16,672,924	19,522,120	14,552,923	
Cost Of Sales	11,924,309	11,914,927	14,170,266	16,220,171	12,118,831	
Gross Profit	2,424,641	890,448	2,502,658	3,301,949	2,434,092	
Operating Profit	1,281,036	-67,450	1,498,028	2,325,845	1,409,099	
Other Income	65,075	12,013	22,449	116,660	15,971	
Finance Cost	29,924	171,247	232,661	42,748	16,408	
Profit Before Tax	1,390,055	-226,684	1,198,487	2,233,661	1,451,968	
Taxation	540,050	269,331	489,019	1,074,441	348,572	
Profit After Tax	850,005	-496,015	709,468	1,159,220	1,103,396	

Ratio Analysis

4.14 Liquidity Ratios (Cables and Electrical Goods Industrials 2017-2021)

4.14.1 Net Working Capital

Definition:

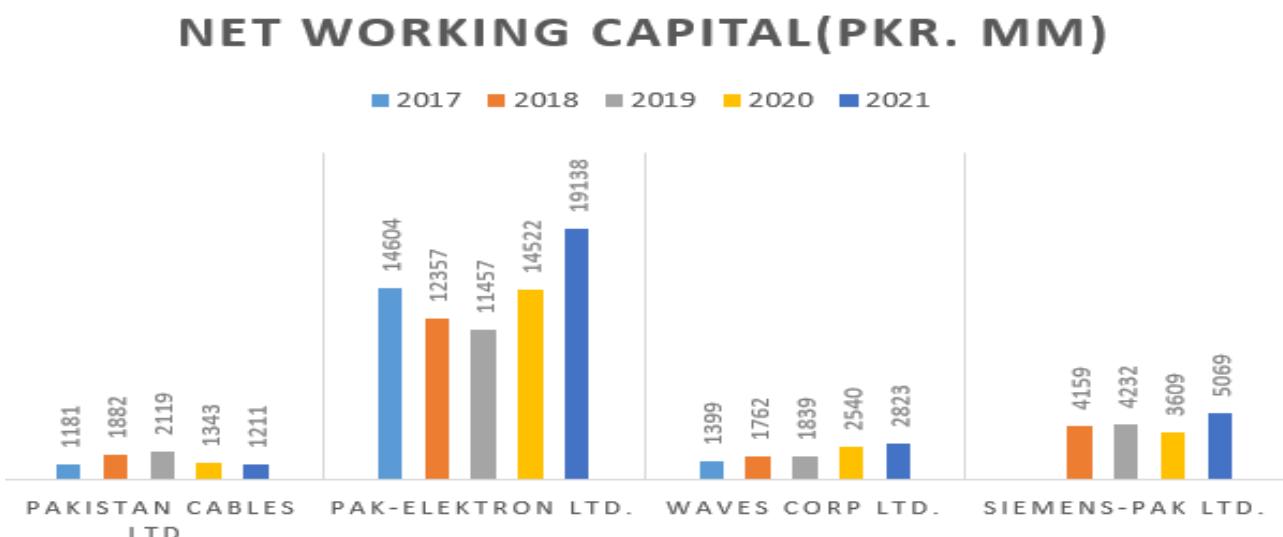
“Working capital, also called net working capital (NWC), represents the difference between a company’s current assets and current liabilities.”

Formula: Net Working Capital = Current Assets – Current Liabilities

Calculations and Results of 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	1181	1882	2119	1343	1211
Pak-Elektron Ltd.	14604	12357	11457	14522	19138
Waves Corp Ltd.	1399	1762	1839	2540	2823
Siemens-Pak Ltd.		4159	4232	3609	5069

Comparison of Values:



Reasons of change:

Net Working Capital of all the companies progressively improved from 2017-2021. But declined in 2020 in comparison to 2019 because of adverse impact of Covid-19 on current assets and due to rise in current assets due to lockdowns and inactivity in cables and electrical goods industrials.

4.14.2 Current Ratio

Definition:

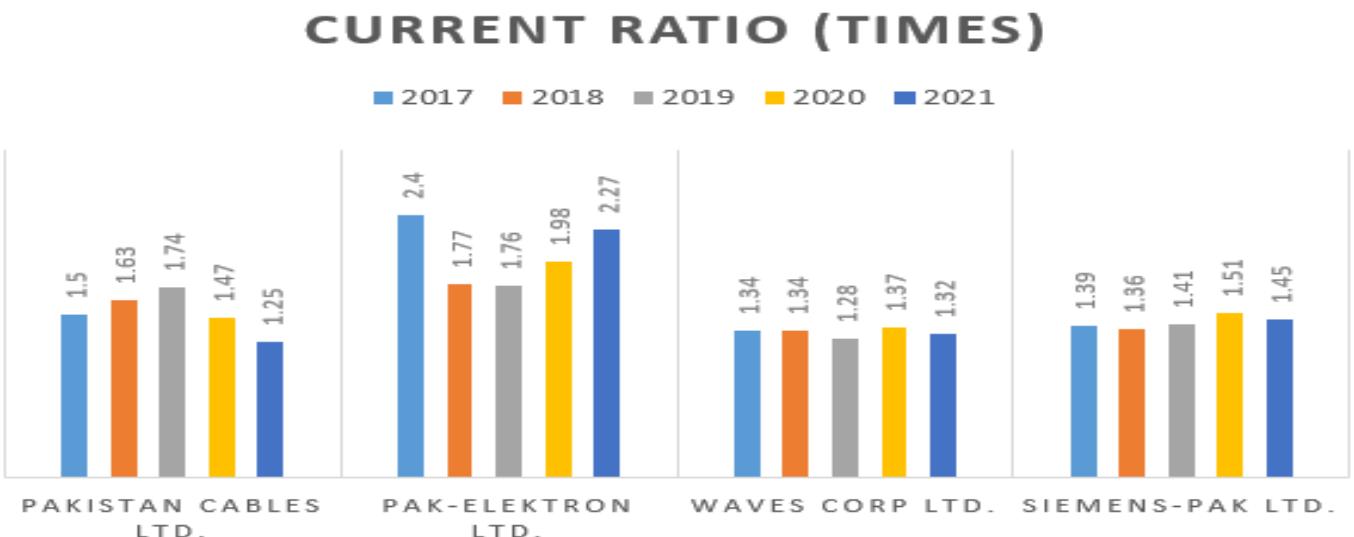
The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year.

Formula: Current Ratio = Current Assets/ Current Liabilities

Calculations and Results of 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	1.5	1.63	1.74	1.47	1.25
Pak-Elektron Ltd.		2.4	1.77	1.76	1.98
Waves Corp Ltd.		1.34	1.34	1.28	1.37
Siemens-Pak Ltd.		1.39	1.36	1.41	1.51

Comparison of Values:



Reasons of change:

Current Ratio of all the companies progressively improved from 2017-2021. But it declined in 2020 and 2021 with exception of PAK-Elektron Ltd. (PEL) and reason behind it is due to adverse impact of Covid-19 on current assets and due to rise in current assets due to lockdowns and inactivity in cables and electrical goods industrials. PEL showed good signs of growth in current ratio perspective.

4.14.3 Quick Ratio

Definition:

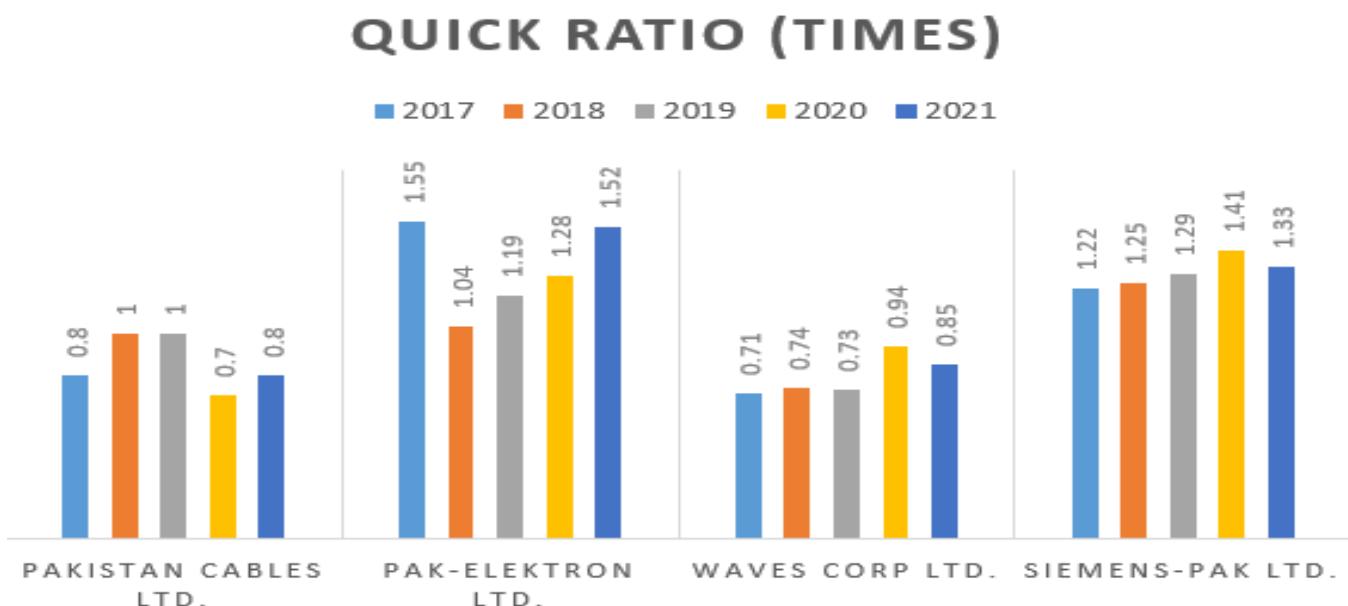
The quick ratio is an indicator of a company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets.

Formula: [Cash + Marketable Securities + Receivables]/ Current Liabilities

Calculations and Results of 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	0.8	1	1	0.7	0.8
Pak-Elektron Ltd.		1.55	1.04	1.19	1.28
Waves Corp Ltd.	0.71	0.74	0.73	0.94	0.85
Siemens-Pak Ltd.		1.22	1.25	1.29	1.41

Comparison of Values:



Reasons of change:

This graphical comparison suggests that cables and electrical goods industrials showed progressive and steady growth in quick ratio. As quick ratio above 1 indicates company has enough money to pay off its obligations but in 2020 and 2021 it declined due to impact of Covid-19 on decreasing highly liquid assets and increasing current liabilities. PEL and Siemens Ltd. have the highest ability to payoff of its obligations considering the presence of highly liquid assets like cash, account receivables and marketable securities.

4.15 Profitability Ratio (Cables and Electrical Goods Industrials 2017-2021)

4.15.1 Gross Profit Ratio

Definition:

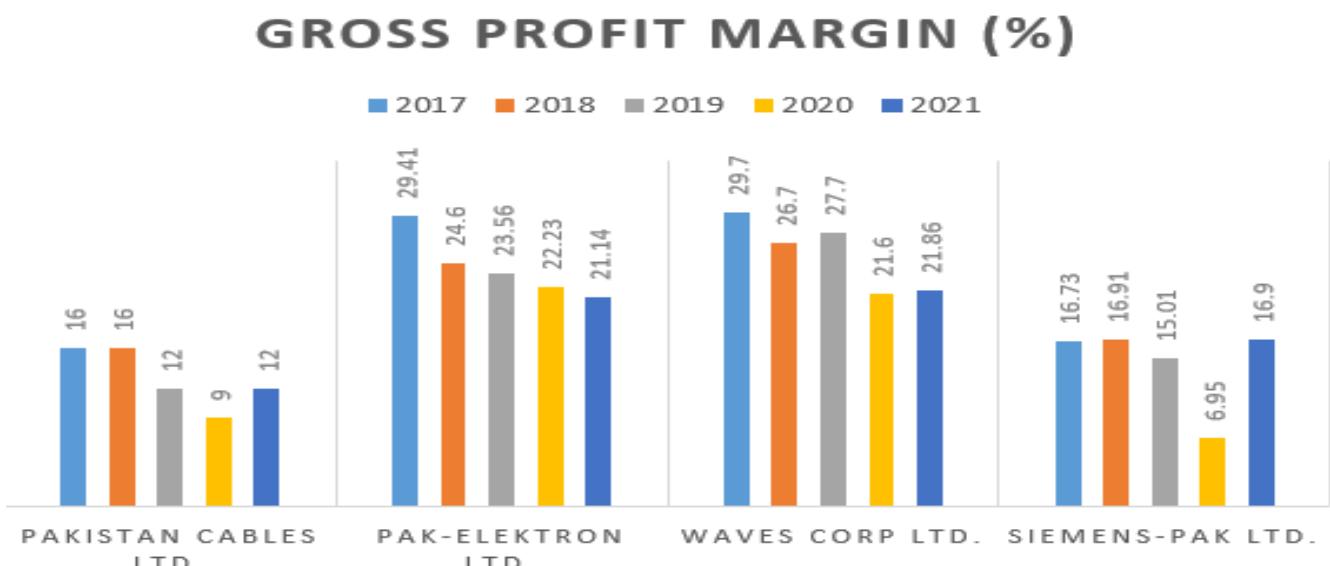
“It is a financial metric used to assess company’s financial health by calculating amount of money left behind from the sales after subtracting cost of goods sold (COGS).”

Formula: Gross Profit Margin = Gross profit/ Net Sales

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	16	16	12	9	12
Pak-Elektron Ltd.	29.41	24.6	23.56	22.23	21.14
Waves Corp Ltd.	29.7	26.7	27.7	21.6	21.86
Siemens-Pak Ltd.	16.73	16.91	15.01	6.95	16.9

Comparison of Values:



Reasons of change:

Gross profit of Cables and Electrical Goods Industrials was increased steadily but it dropped in 2020 due to adverse impact of Covid-19 on the gross profit with respect to net sales. Gross Profit dented adversely in 2020 because net sales declined which then in turn stunted growth of gross profit. Whereas in 2021, all the companies showed positive sign of gross profit growth as compared to 2020 because of resumption of normal operations at the plants to carry out the production. PEL and Waves Corp. have higher gain on gross profit as compared to Pakistan Cables Ltd. and Siemens Ltd.

4.15.2 Profit Margin Ratio

Definition:

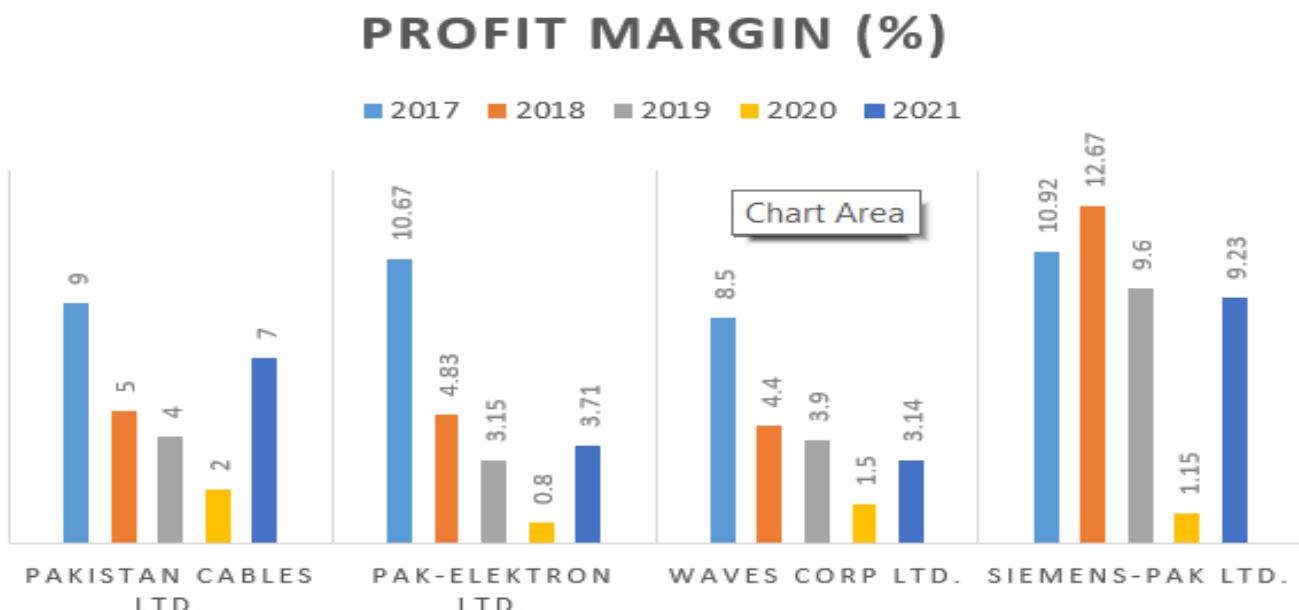
“It is used to gauge the degree to which a company or a business entity makes money. It basically represents what percentage of sales has turned into profits.”

Formula: Profit Margin = Net Income/ Net Sales

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	9	5	4	2	7
Pak-Elektron Ltd.	10.67	4.83	3.15	0.8	3.71
Waves Corp Ltd.	8.5	4.4	3.9	1.5	3.14
Siemens-Pak Ltd.	10.92	12.67	9.6	1.15	9.23

Comparison of Values:



Reasons of change:

Gross profit of Cables and Electrical Goods Industrials was increased steadily but it dropped in 2020 due to adverse impact of Covid-19 on the net profit with respect to net sales. Whereas in 2021, all the companies showed positive sign of net profit growth as compared to 2020 because of resumption of normal operations at the plants to carry out the production. Siemens Ltd. scored and gained highest average profit margin (%) as compared to other companies.

4.15.3 Return on Total Assets (ROTA)

Definition:

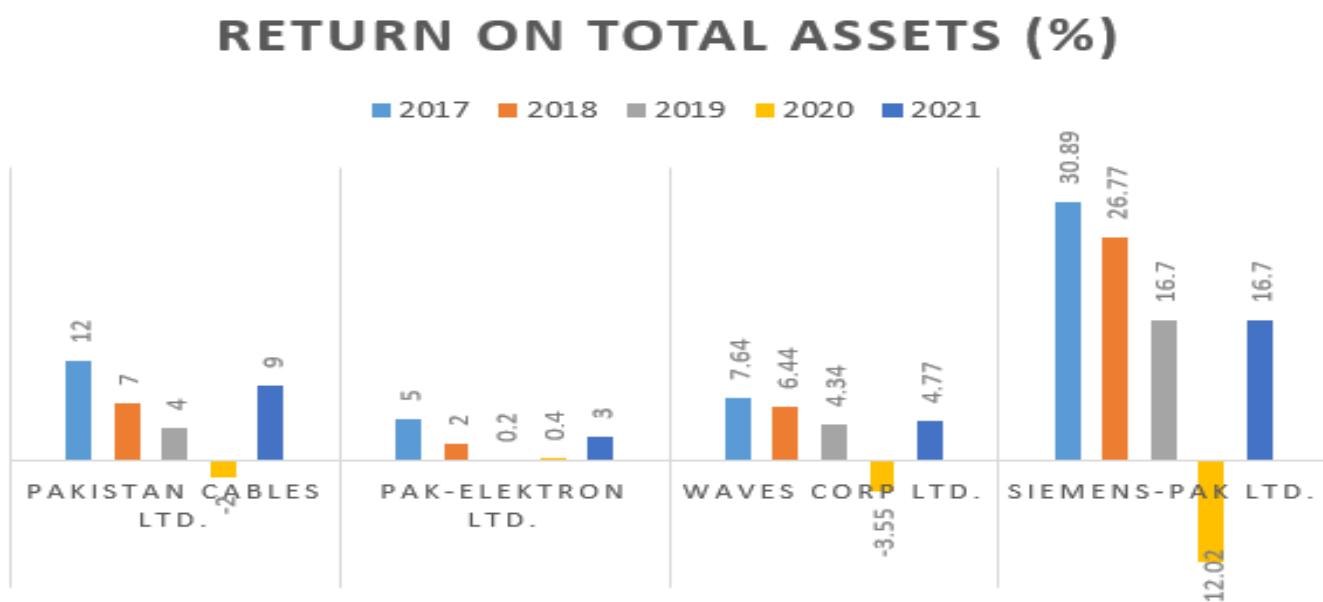
“It is basically a measure of how well company is using its assets in order to generate its earnings.”

Formula: Return on Total Assets = Net income/ Average Total Assets

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	12	7	4	-2	9
Pak-Elektron Ltd.		5	2	0.2	0.4
Waves Corp Ltd.	7.64	6.44	4.34	-3.55	4.77
Siemens-Pak Ltd.	30.89	26.77	16.7	-12.02	16.7

Comparison of Values:



Reasons of change:

Return on Total Assets (ROTA) of all the companies progressively decreased from 2017-2021. But it was observed least most in 2020 due to adverse impact of Covid-19 on current assets and due to rise in current assets due to lockdowns and inactivity in cables and electrical goods industrials. Economic uncertainty and underutilization of assets leads to decline in return on total assets. Siemens Ltd. secured comparatively more return on total assets as compared to other companies.

4.15.4 Return on Common Equity

Definition:

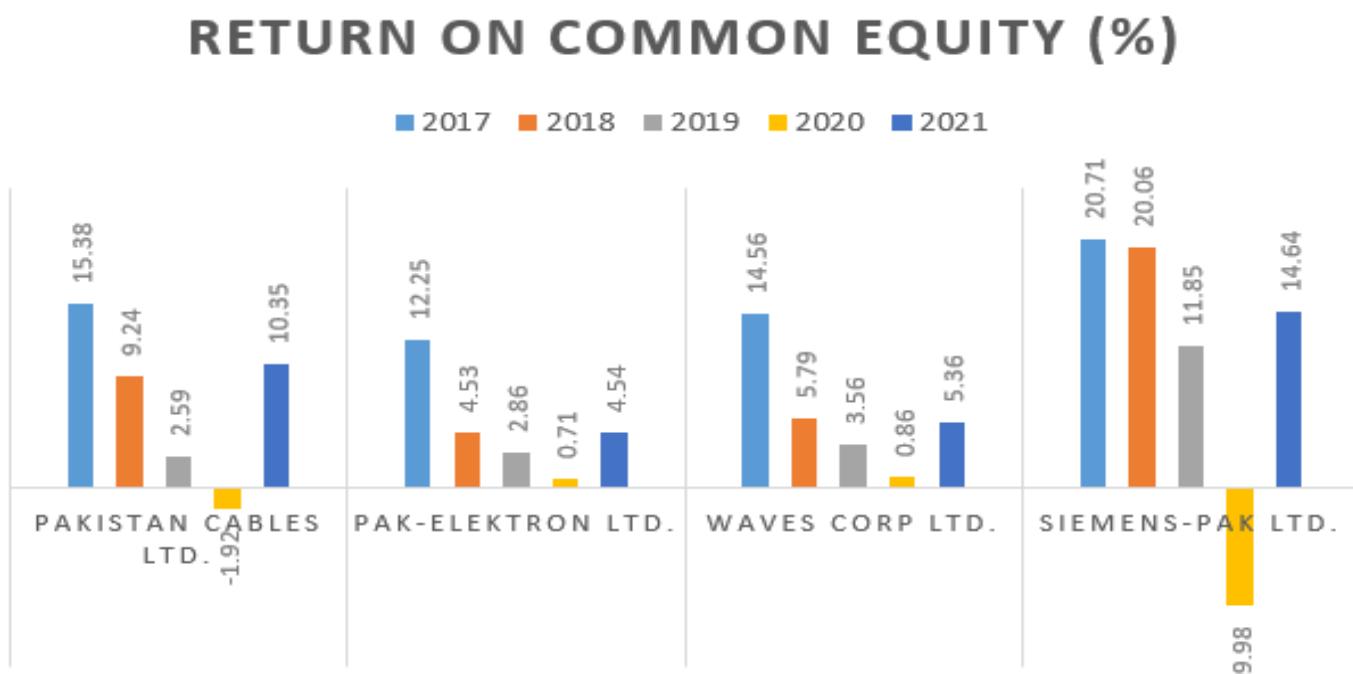
"It is basically measure of how much company's common stockholders receive from the company on the amount of money they have invested."

Formula: Return on Common Equity = Net Income/ Common Equity

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	15.38	9.24	2.59	-1.92	10.35
Pak-Elektron Ltd.	12.25	4.53	2.86	0.71	4.54
Waves Corp Ltd.	14.56	5.79	3.56	0.86	5.36
Siemens-Pak Ltd.	20.71	20.06	11.85	-9.98	14.64

Comparison of Values:



Reasons of change:

If return on equity is above 10% then it shows good sign that investors are getting their investment back. Cables and Electrical Goods Industrials showed negative growth on return on the equity in 2019 and 2020 respectively due to adverse impact of Covid-19. In 2021, all the companies started to operate at its full potential so rate of return on equity bloomed as well.

4.16 Activity Ratio (Cables and Electrical Goods Industrials 2017-2021)

4.16.1 Average Account Payable Period

Definition:

“It is basically measure of how many days it takes for the company to pay back to its suppliers.”

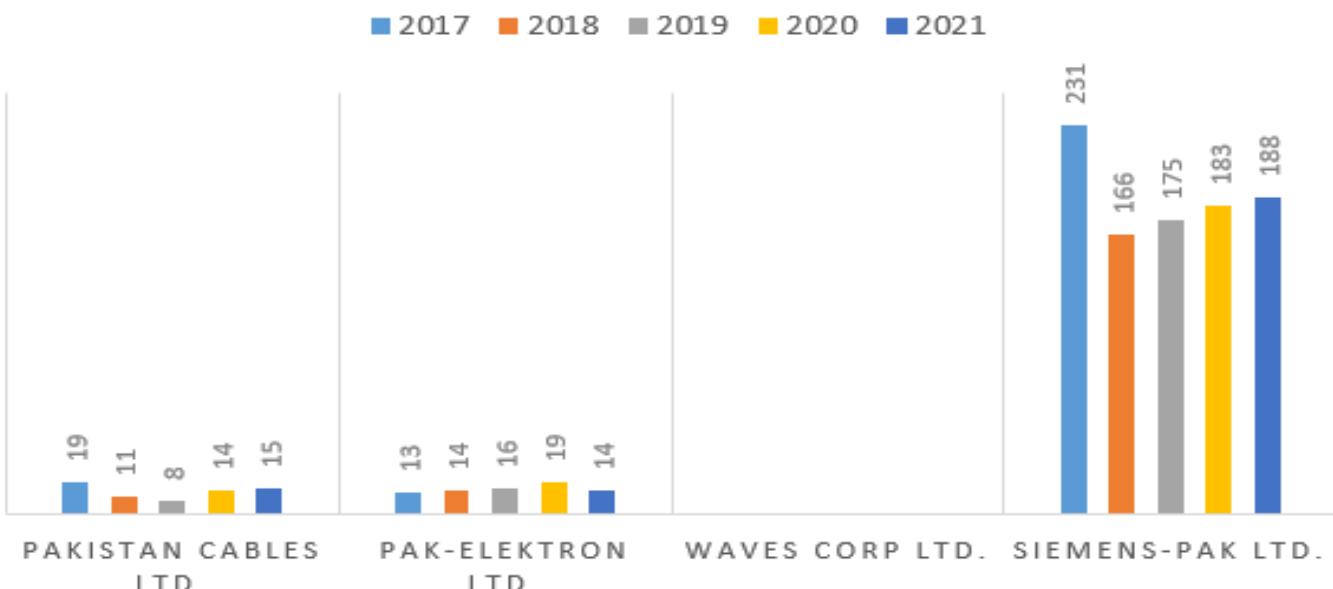
Formula: Account Payment Period = Number of working days/ Account Payable Turnover

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	19	11	8	14	15
Pak-Elektron Ltd.		13	14	16	19
Waves Corp Ltd.					
Siemens-Pak Ltd.		231	166	175	183
					188

Comparison of Values:

ACCOUNT PAYMENT PERIOD (DAYS)



Reasons of change:

Account Payment Period of Pakistan Cables, PEL and Siemens Ltd. remained stable throughout. But Siemens Ltd. account payment period days was averaged way more than the Pakistan Cables and PEL. This means that Siemens is buying raw materials and goods on credit, rather than paying the cash amount.

4.16.2 Inventory Turnover

Definition:

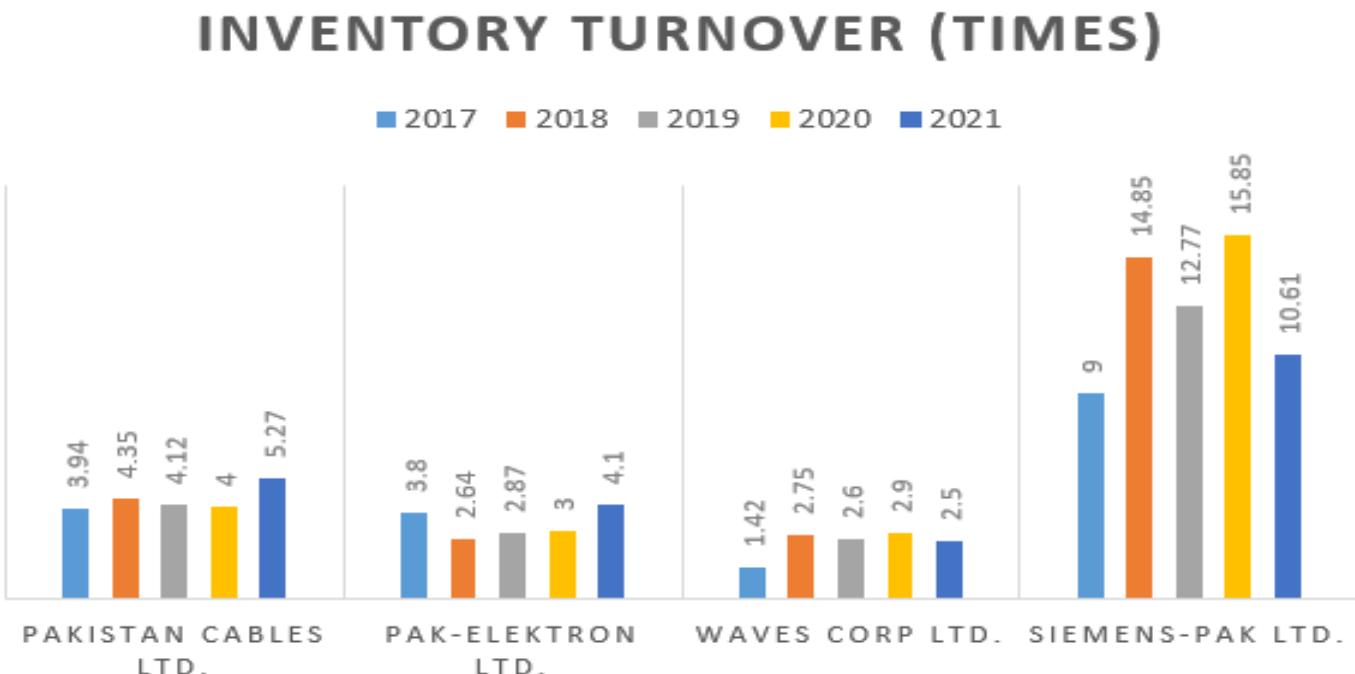
“Inventory turnover is a measures how many times a company turned over its inventory relative to its cost of goods sold (COGS) in a given period.”

Formula: Inventory Turnover = Cost of Goods Sold/ Average Inventory

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	3.94	4.35	4.12	4	5.27
Pak-Elektron Ltd.	3.8	2.64	2.87	3	4.1
Waves Corp Ltd.	1.42	2.75	2.6	2.9	2.5
Siemens-Pak Ltd.	9	14.85	12.77	15.85	10.61

Comparison of Values:



Reasons of change:

Inventory turnover increased rapidly in 2021 which indicates that goods at Cables and Electrical Industry were sold faster in 2021. It is because in 2021 normal operations resumed after Covid-19 restrictions and net sales increased rapidly plus demand in market for products also increased rapidly. Siemens Ltd. had high inventory turnover ratio which indicates strong sales over the period of 5 years.

4.16.3 Average Age of Inventory

Definition:

“It is basically measure of average number of days for company to sell of its inventory.”

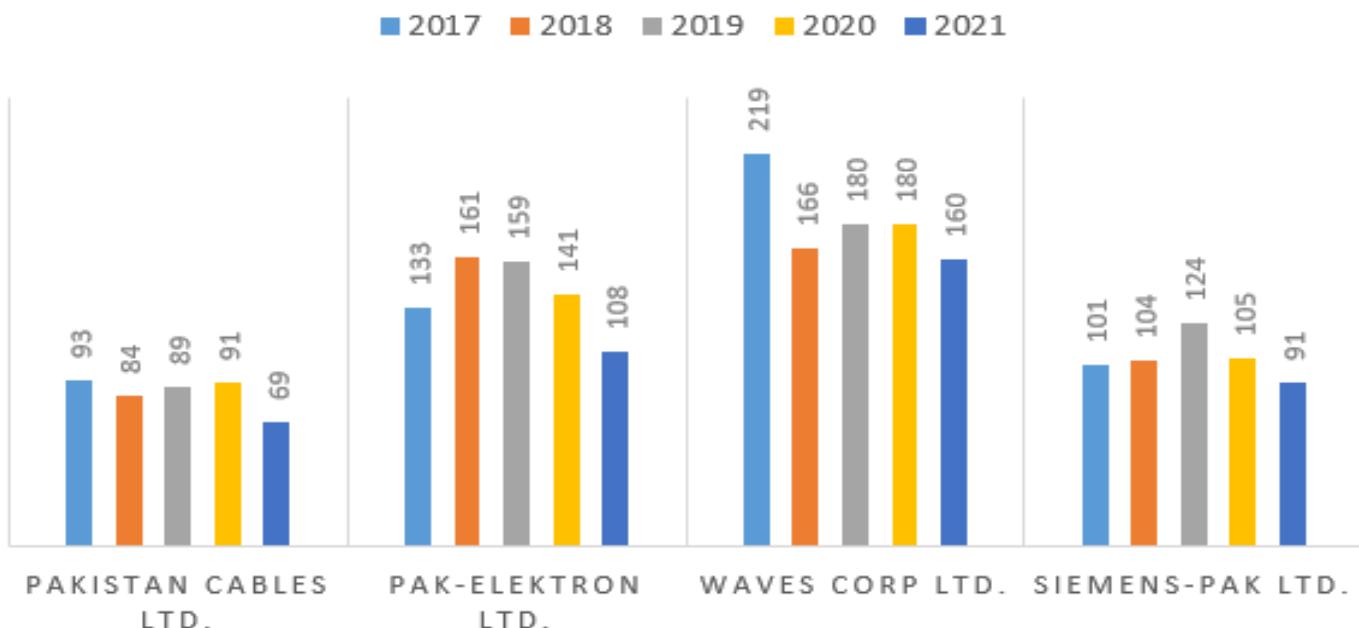
Formula: Average Age of Inventory = Number of working days/ Inventory Turnover

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	93	84	89	91	69
Pak-Elektron Ltd.	133	161	159	141	108
Waves Corp Ltd.	219	166	180	180	160
Siemens-Pak Ltd.	101	104	124	105	91

Comparison of Values:

AVERAGE AGE OF INVENTORY (DAYS)



Reasons of change:

Average Age of Inventory remained steady for Cables and Electrical Goods Industrials from 2017-2021. But its number of days decreased rapidly in 2021 because of resumption of activities after Covid-19 and demand from market for its goods and products increased quite excessively.

4.16.4 Account Collection Period

Definition:

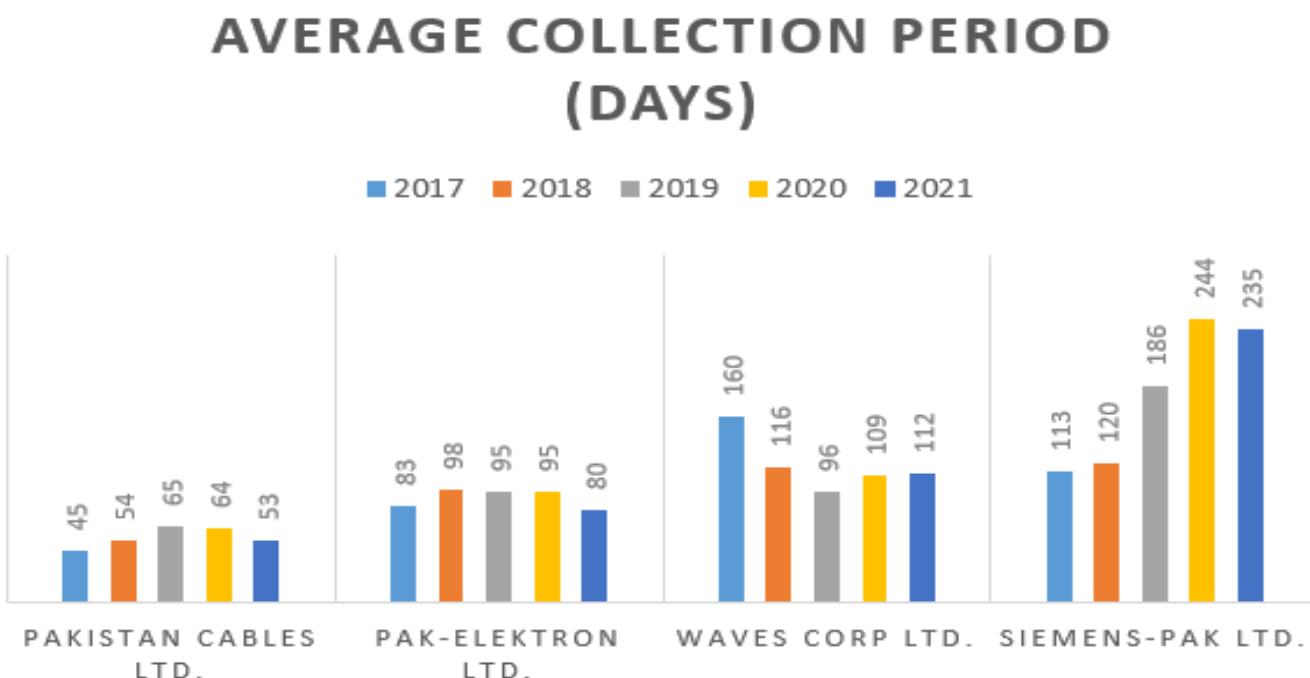
“It is basically measure of how much time or no. of days it takes for company to collect back its credit and receivables.”

Formula: Average Collection Period = Number of working days/ Account Receivable Turnover

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	45	54	65	64	53
Pak-Elektron Ltd.	83	98	95	95	80
Waves Corp Ltd.	160	116	96	109	112
Siemens-Pak Ltd.	113	120	186	244	235

Comparison of Values:



Reasons of change:

In 2019 and 2020 amount of collection period increased for all the companies comparatively due to adverse impact of Covid-19 and lockdowns. Average collection period improved in 2021, due to resumption of activities and operations after Covid-19.

4.16.5 Operating Cycle

Definition:

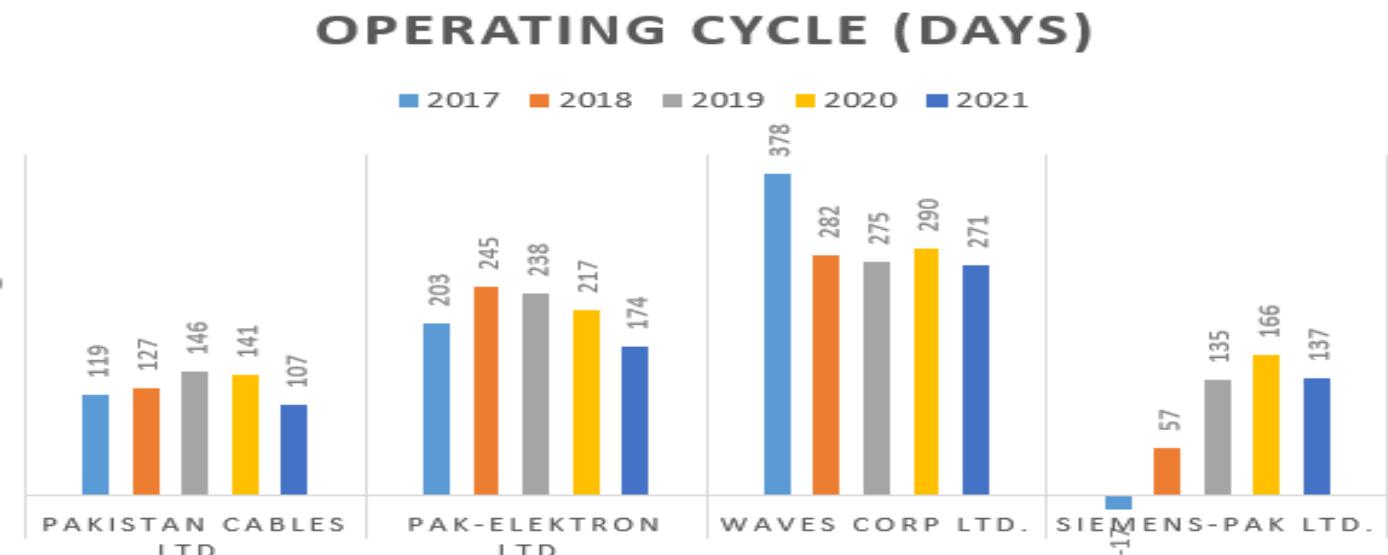
“It can be defined as time required or number days required for a business to put cash into its operations and then return it back to company's cash account.”

Formula: Operating Cycle = Average Age of Inventory + Average Collection Period

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	119	127	146	141	107
Pak-Elektron Ltd.	203	245	238	217	174
Waves Corp Ltd.	378	282	275	290	271
Siemens-Pak Ltd.	-17	57	135	166	137

Comparison of Values:



Reasons of change:

Operating cycle extended in 2019 and 2020 for Cable and Electrical Goods Industrials due to increase in average age of inventory and average collection period because of Covid-19 restrictions and decrease of demand in market. But in 2021, after resumption of activities after Covid-19 plus increase in demand of products and goods enabled in decreasing overall operating cycle. Thus, in 2021 Cable and Electrical Goods Companies were more efficient in completion of their operations related cycle and were able to recover back its cash which was invested in its operations much earlier than previous years.

4.16.6 Total Assets Turnover

Definition:

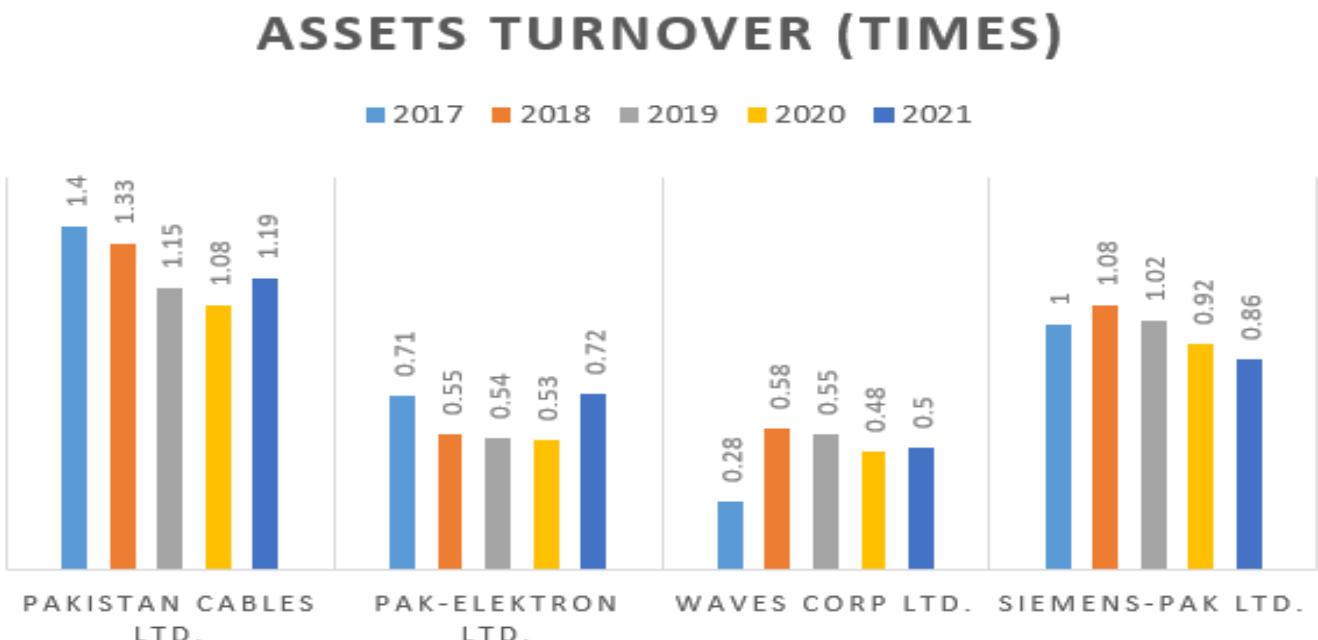
“It is basically measure of efficiency of the business in utilization of its assets to generate revenue.”

Formula: Total Assets Turnover = Net Sales/ Average Total Assets

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	1.4	1.33	1.15	1.08	1.19
Pak-Elektron Ltd.	0.71	0.55	0.54	0.53	0.72
Waves Corp Ltd.	0.28	0.58	0.55	0.48	0.5
Siemens-Pak Ltd.	1	1.08	1.02	0.92	0.86

Comparison of Values:



Reasons of change:

Asset turnover ratio above 1 indicates company has self-sustenance ability to generate its own revenue. Pakistan Cables asset turnover has shown trend of stable growth. PEL assets turnover remained steady throughout and improved to 0.72 times in 2021, Waves Corporation Ltd. assets turnover remained steady but it is way less than other companies and in case of Siemens Ltd. it deteriorated from 1.08 in 2018 and 0.86 in 2021 majorly due to adverse impact of Covid-19, global market inflation and underutilization of assets.

4.17 Market Value Ratio (Cables and Electrical Goods Industrials. 2017-2021)

4.17.1 Earnings Per Share

Definition:

“Earnings per share indicate the amount of earnings for each common share held.”

Formula: Earnings per share = (Net Income – Preferred Dividends)/ Common stock Outstanding

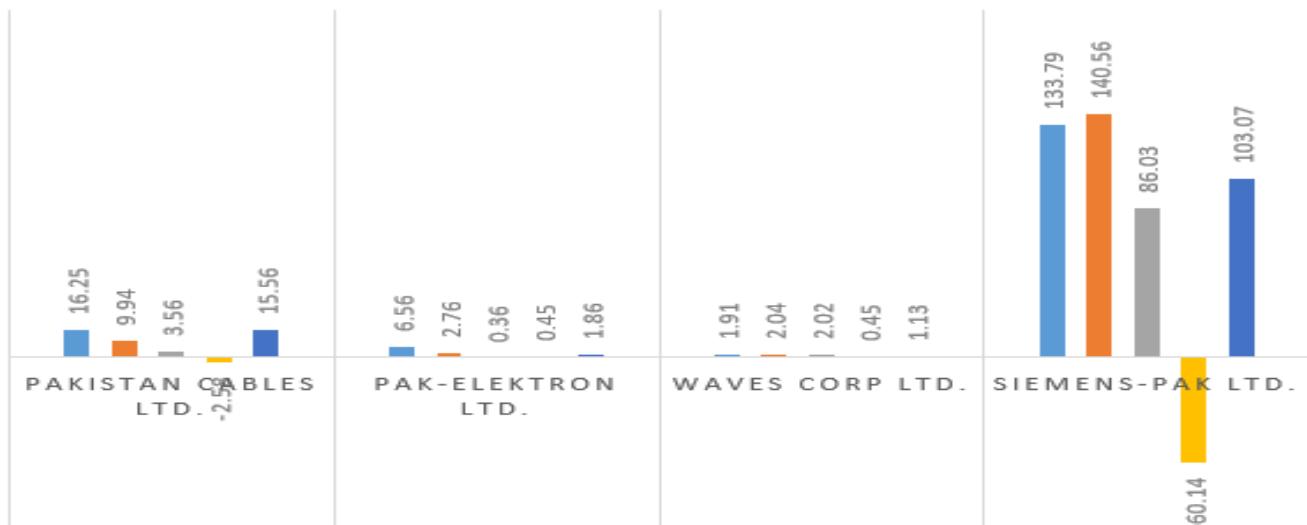
Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	16.25	9.94	3.56	-2.58	15.56
Pak-Elektron Ltd.	6.56	2.76	0.36	0.45	1.86
Waves Corp Ltd.	1.91	2.04	2.02	0.45	1.13
Siemens-Pak Ltd.	133.79	140.56	86.03	-60.14	103.07

Comparison of Values:

EARNINGS PER SHARE (PKR)

■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



Reasons of Change:

Cables and Electrical Goods Industrials earnings per share was stable and progressing well until 2019 and 2020. Where negative impact of Covid-19 on net income adversely played role in decreasing earnings per share. When situation normalized in 2021 all the companies net income increased rapidly thus overall earnings per share also increased. EPS of Siemens Ltd. averaged more than other respective companies.

4.17.2 Price/ Earnings Per share

Definition:

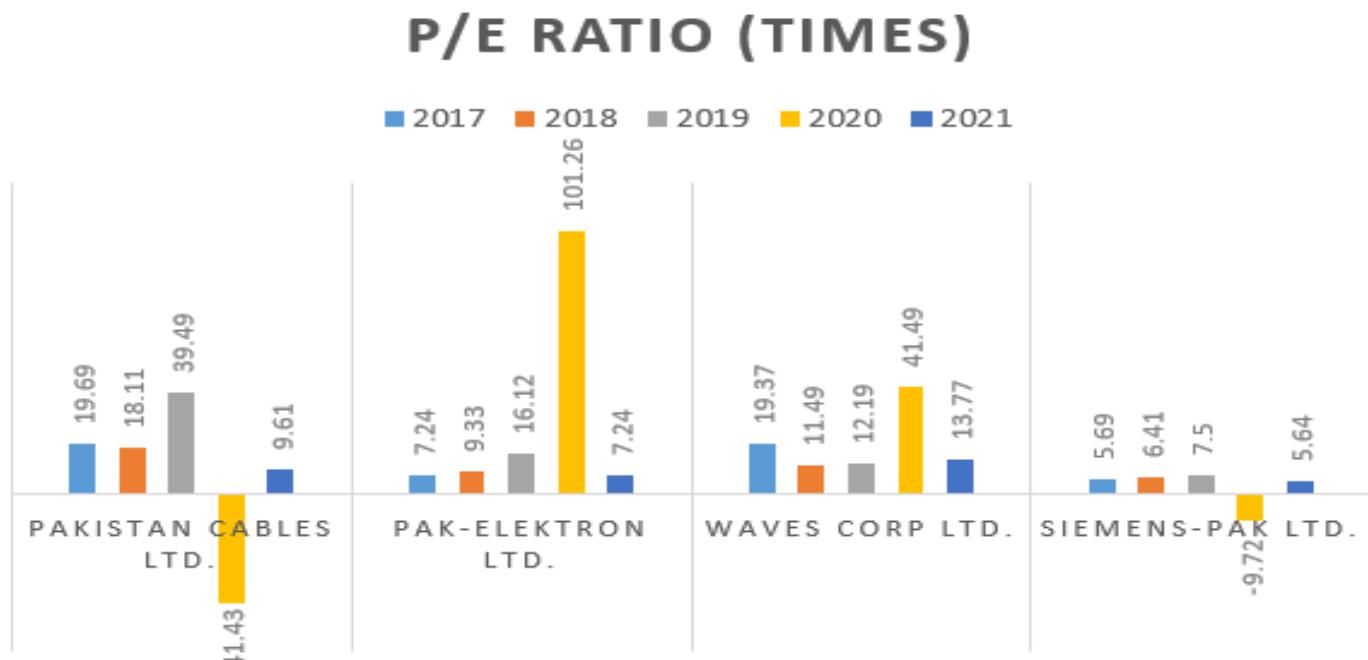
“The often quoted price/earnings ratio is equal to the market price per share of stock divided by the earnings per share.”

Formula: P/E Ratio = Market price per share/ Earnings per share

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	19.69	18.11	39.49	-41.43	9.61
Pak-Elektron Ltd.	7.24	9.33	16.12	101.26	7.24
Waves Corp Ltd.	19.37	11.49	12.19	41.49	13.77
Siemens-Pak Ltd.	5.69	6.41	7.5	-9.72	5.64

Comparison of Values:



Reasons of change:

Cables and Electrical Goods Industrials price per earnings ratio was stable and progressing well until 2019. When negative impact of Covid-19 on market price per share adversely played role in decreasing price per earnings ratio as compared to that in 2016, 2017 and 2018. P/E ratio improved for all companies in 2021.

4.17.3 Price to Book Ratio

Definition:

“It is basically measure of stock valuation of the company. It also measures whether company is or isn’t paying for what would remain if company goes bankrupt.”

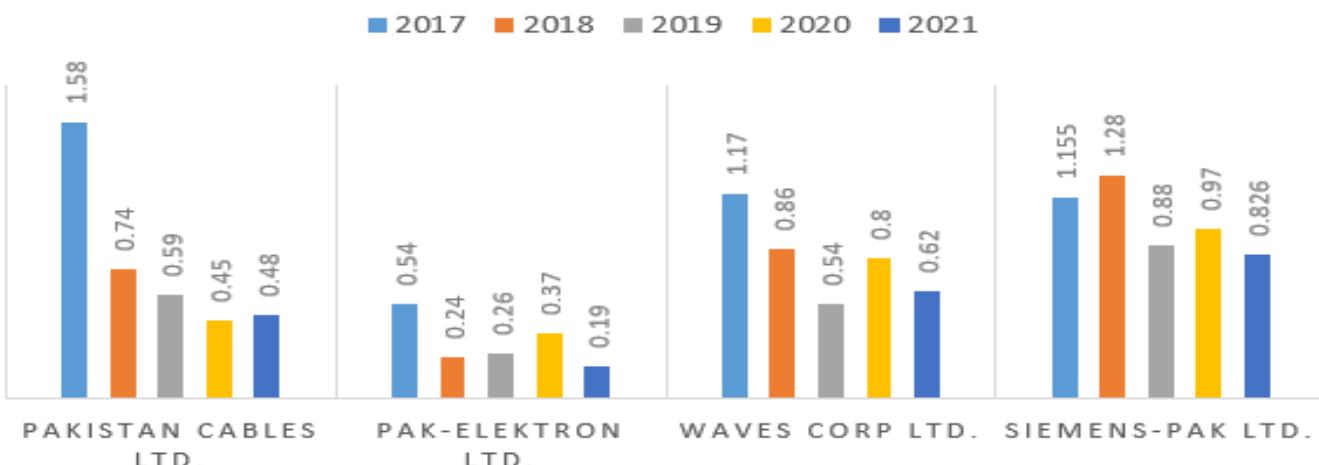
Formula: P/B Ratio = Market Price Per Share / Book Value Per Share

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	1.58	0.74	0.59	0.45	0.48
Pak-Elektron Ltd.	0.54	0.24	0.26	0.37	0.19
Waves Corp Ltd.	1.17	0.86	0.54	0.8	0.62
Siemens-Pak Ltd.	1.155	1.28	0.88	0.97	0.826

Comparison of Values:

PRICE TO BOOK RATIO (TIMES)



Reasons of change:

In 2017 due to high valuation of market price per share, price to book ratio of Cables and Electrical Goods Industrials was higher. But after that decline in valuation of market price per share started to occur which resulted in decline in price to book ratio which was due to adverse impact of inflation, Covid-19 and lockdowns etc.

4.17.4 Dividend Yield Ratio

Definition:

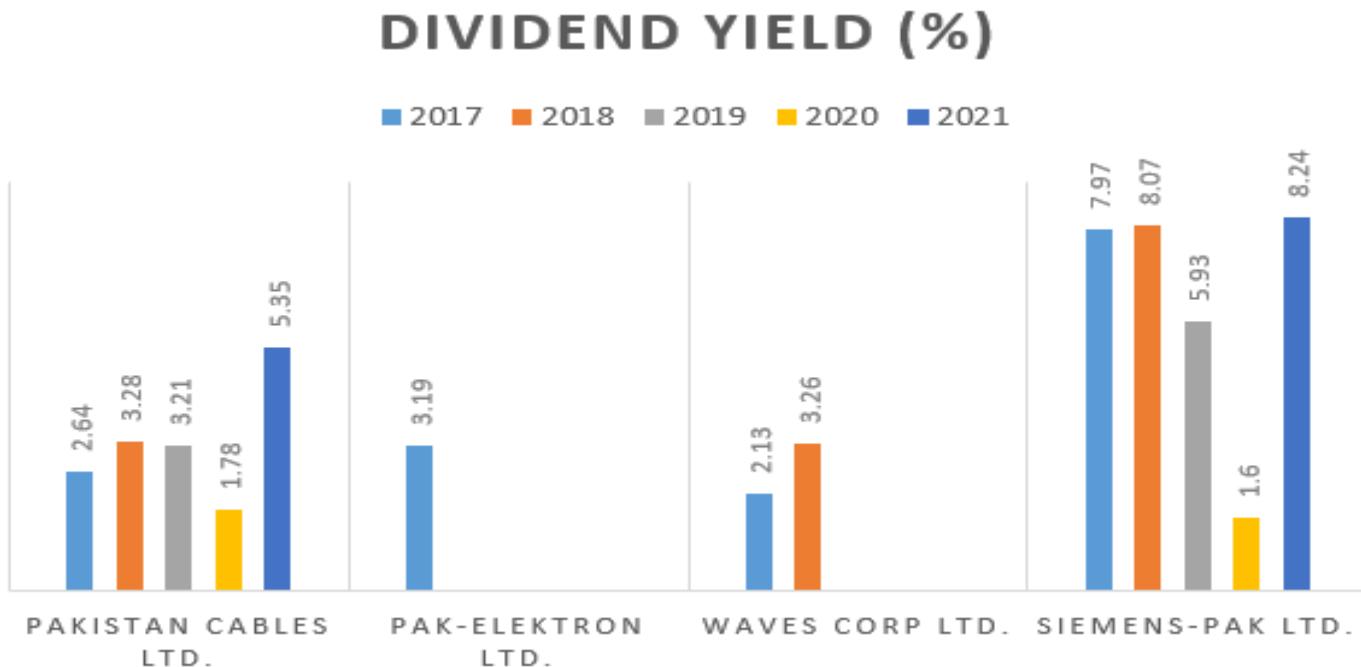
“Dividend yield is calculated by dividing the total dividends paid per year by the market price of the stock”

Formula: Dividend Yield = Dividends per share / Market price per share

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	2.64	3.28	3.21	1.78	5.35
Pak-Elektron Ltd.		3.19			
Waves Corp Ltd.	2.13		3.26		
Siemens-Pak Ltd.	7.97	8.07	5.93	1.6	8.24

Comparison of Values:



Reasons of change:

Pakistan Cables and Siemens Ltd. had steady dividend yield ratio until 2020 where Covid-19 created financial uncertainty and yield out ratio decreased to 1.78% and 1.6%. Thus, in order to compensate its shareholders Pakistan Cables and Siemens Ltd. compensated higher yield ratio in 2021 as company started to operate at its full potential (more net sales and earning more profits).

4.17.5 Dividend Payout

Definition:

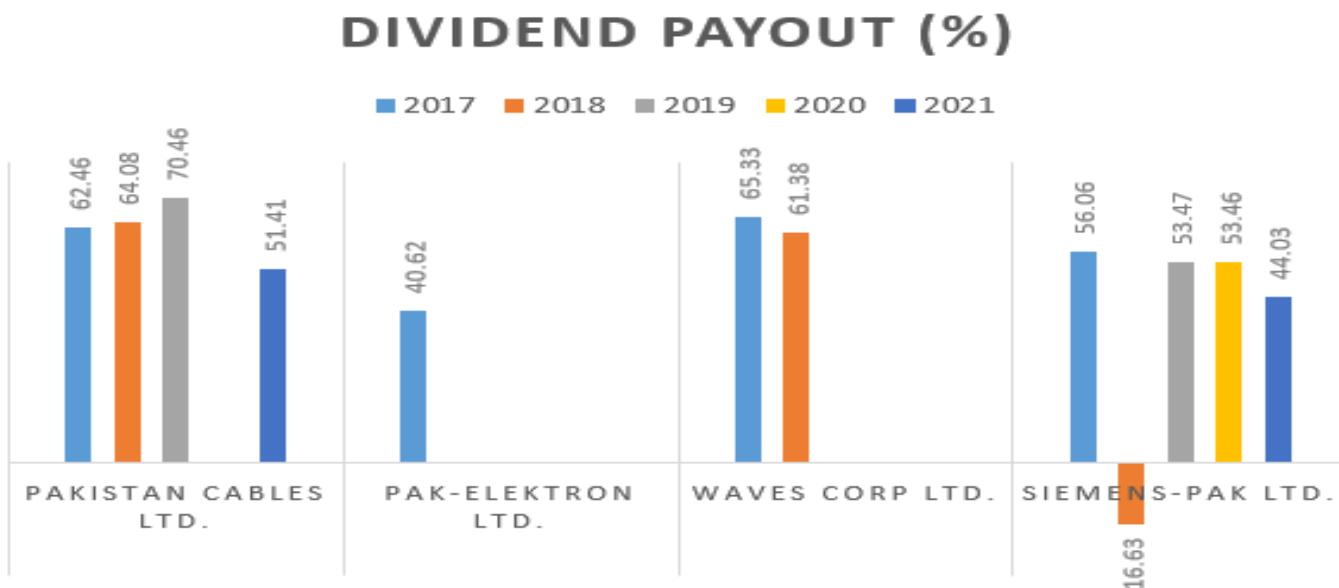
"The dividend payout ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. It is the percentage of earnings paid to shareholders via dividends."

Formula: Dividend Payout = Dividends Per Share/ Earnings Per Share

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	62.46	64.08	70.46		51.41
Pak-Elektron Ltd.		40.62			
Waves Corp Ltd.		65.33	61.38		
Siemens-Pak Ltd.	56.06	-16.63	53.47	53.46	44.03

Comparison of Values:



Reasons of change:

Pakistan Cables had progressive dividend payout ratio until 2020 where Covid-19 created financial uncertainty and payout ratio decreased to 51.41% in 2021 and negligible in 2020. PEL and Waves Corp. payout ratio averaged 40 and 60% respectively in 2017 but after which it became negligible. Siemens Ltd. payout ratio grew progressively except for 2018 where it was around -17%. This means Siemens and Pakistan Cables dividend payout ability to stockholders is much more than in comparison to PEL and Waves Corp. Ltd.

4.18 Leverage Ratio (Cables and Electrical Goods Industrials 2017-2021)

4.18.1 Debt to Equity Ratio

Definition:

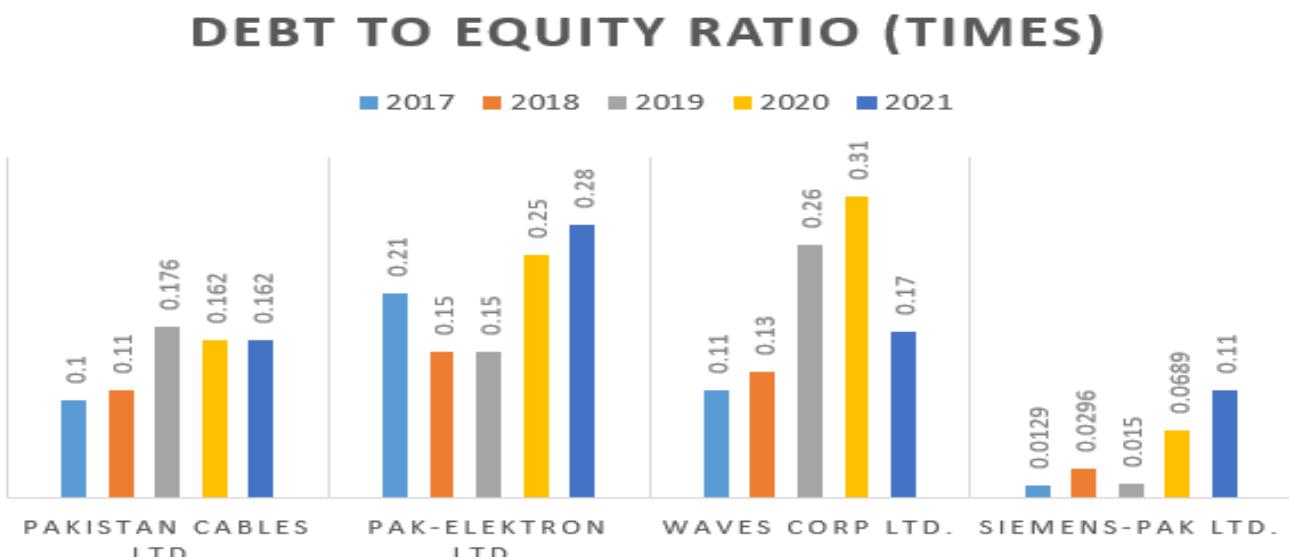
“It is basically measure of how company is managing its finances with respect to both equity and debt types of financing.”

Formula: Debt/ Equity Ratio = Total Liabilities/ Stockholders Equity

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	0.1	0.11	0.176	0.162	0.162
Pak-Elektron Ltd.	0.21	0.15	0.15	0.25	0.28
Waves Corp Ltd.	0.11	0.13	0.26	0.31	0.17
Siemens-Pak Ltd.	0.0129	0.0296	0.015	0.0689	0.11

Comparison of Values:



Reasons of change:

Debt to Equity ratio of Cables and Electrical Goods Industrials remained stable and had steady growth from 2017-2021 which shows strength of their equity financing. But from 2019 to 2021 it slightly increased due to global financial inflation and Covid-19 restrictions which resulted in slight rise in debt to equity ratio.

4.18.2 Times Interest Earned

Definition:

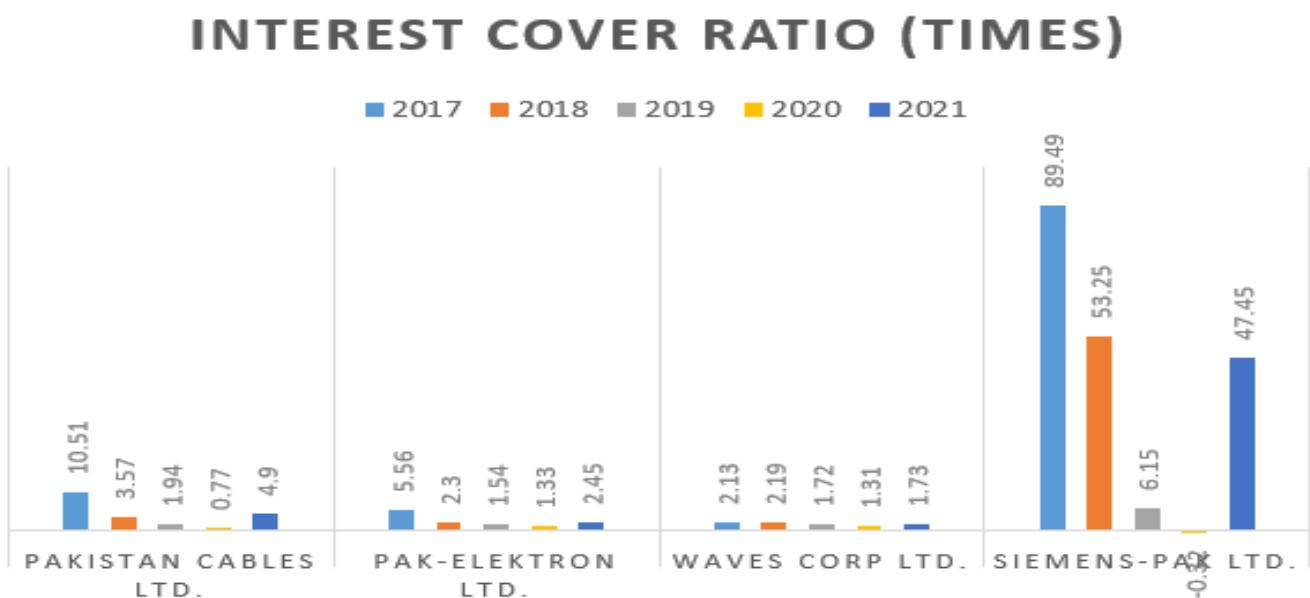
“The times interest earned ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.”

Formula: Interest Coverage Ratio = EBIT(Earning Before Income Tax)/ Interest Expense

Calculations:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	10.51	3.57	1.94	0.77	4.9
Pak-Elektron Ltd.		5.56	2.3	1.54	1.33
Waves Corp Ltd.		2.13	2.19	1.72	1.31
Siemens-Pak Ltd.	89.49	53.25	6.15	-0.32	47.45

Comparison of Values:



Reasons of change:

Times interest expense of Cables and Electrical Goods Industrials decreased with each passing year from 2017-2021 mainly due to financial uncertainty and global market inflation. But in 2020 times interest earned was lowest for all four companies due to adverse impact of Covid-19. In 2021, Siemens Ltd. earnings improved rapidly which shows positive trajectory growth in times interest earned.

4.18.3 Debt Ratio

Definition:

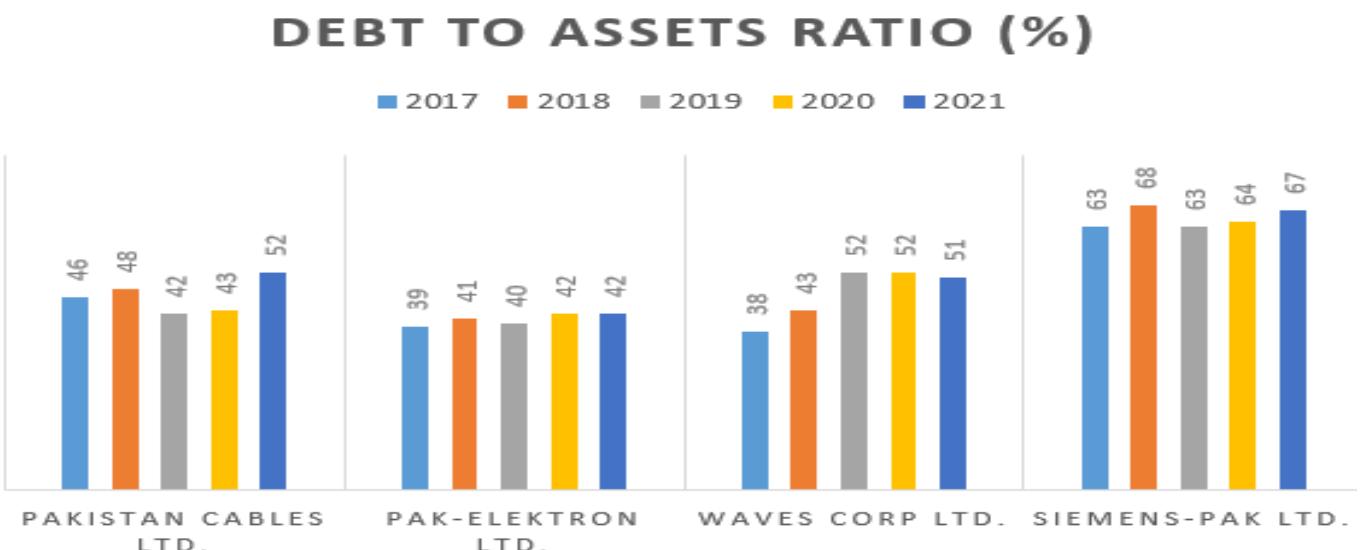
“It is a financial metric used to measure company’s total debt as a percentage of its total assets.”

Formula: Debt Ratio = Total Debt/ Total Assets

Calculations and Results in 5 years:

Company Name	2017	2018	2019	2020	2021
Pakistan Cables Ltd.	46	48	42	43	52
Pak-Elektron Ltd.	39	41	40	42	42
Waves Corp Ltd.	38	43	52	52	51
Siemens-Pak Ltd.	63	68	63	64	67

Comparison of Values:



Reason of change:

Debt Ratio of Cables and Electrical Goods Industrials grew steadily from 2017-2021. It is mainly due to rise in current liabilities items such as borrowing from banking companies, trade and other payables and contractual liabilities etc. With every passing year inflation is rising in global market so external financing through debt in order to meet capital expenditure has increased rapidly. Siemens debt to asset ratio is way more than other companies of industry as raw material items of Siemens electrical equipment are way more than other companies in industry.

CHAPTER 5

CONCLUSION

Out of the four companies that our group did analysis on, Siemens Co. Ltd. is the best performing and most consistent throughout the past five to six years. Then at second place, we have Pakistan Cables Ltd. Siemens Co. Ltd. in terms of sound profit margin, return on total assets and equity, shorter operating cycle, high inventory turnover, high EPS valuation, more favorable to investors in terms of dividend yield and payout they provide to their investors and comparatively low debt to asset ratio makes it the most effective performing company in Cables and Electrical Goods Industrials in Pakistan. Pakistan Cables have comparatively low profitability return, EPS value, dividend yield and payout and averaged longer operating cycle than Siemens as a result we can conclude its position in terms of financial performance to be 2nd best in Cables and Electrical Goods Industrials in Pakistan. PEL and Waves Corp. Ltd. performances were bit underwhelming as compared to both Siemens Co. Ltd and Pakistan Cables Ltd. PEL current assets were way more than that of Waves Corp. over the period of 5 years, plus profitability ratios and expense management of PEL was way more effective than Waves. Due these reasons we placed PEL at 3rd position and Waves Corp. at last position.

5.1 Siemens Engineering Co. Ltd.

Financial performances of Siemens have been quite effective and efficient.

- Shorter averaged operating cycle which is approximately 95 working days.
- Profit margin averaged 11% which is highest among four companies assigned to our group.
- Return on assets averaged 9% which indicates effective utilization of assets. Return on Equity averaged 11.52%. Both of them were highest among four companies assigned to our group.
- Inventory turnover rate averaged 12.56 times which indicates effective management of inventory.
- Dividend yield ratio and EPS averaged 6.3% and 80.8 PKR. which indicates favorable investment options. Both of it averaged highest among four companies assigned to our group.
- Most effective debt to equity ratio which averaged 0.0476%. This indicates strength of company's shareholders and that it doesn't need to borrow loans from banks and related sectors.

Siemens Engineering Co. Ltd. is German multinational conglomerate and one of the largest industrial manufacturing company not only in Europe but in entire as well. It is basically only multinational company in our group's list of Cables and Electrical Goods Industrials. It comes first on our list because of effective financial performances Siemens had during last 5 years. Although Siemens have to improve its average time taken to collect receivables which can play vital role in improving its overall revenue and profits. Such as by offering effective discounts to customers who pay early, systematic invoicing and payments and developing effective collection strategy.

5.2 Pakistan Cables Ltd.

Financial performances of Pakistan Cables have been quite effective and efficient.

- Operating cycle which averaged 106 working days.
- Profit Margin averaged 5.4% which is second highest among four companies assigned to our group.
- Return on Assets averaged 6% which indicates effective utilization of assets. Return on Equity averaged 7.1%. Both of them were second highest among four companies assigned to our group.
- Dividend yield ratio averaged 3.2% across period of 5 years. Whereas, EPS averaged 8.7 PKR.
- Inventory Turnover rate averaged 4.304 times which indicates effective management of inventory.
- Second most effective debt to equity ratio which averaged 0.142%.

Pakistan Cables effective financial performances secured it 2nd position in our group list of assigned companies. Pakistan Cables has exponentially improved its growth in terms of production phase and started to work at its full potential. Pakistan Cables not only provides cable related services to WAPDA, K-Electric, DISCOs and NTDC but also exports its goods and products abroad primarily to Middle East and Africa. But they need to improve their expense management strategy by adopting cost effective solutions such as reducing cost of sales impact on net sales which averaged 91% over the period of 5 years. So, through effective strategy of collaborative partnerships with other internationally renowned firms and other cable manufacturing companies Pakistan Cables can further improve its reputation and financial aspects.

5.3 Pak Elektron Ltd. (PEL)

Financial performances of PEL.

- Operating cycle which averaged 215 working days.
- Profit Margin averaged 4.63% which is third highest among four companies assigned to our group.
- Inventory Turnover rate averaged 3.3 times.
- Most effective debt to asset ratio which averaged 40.8%. Highest in our list of assigned companies.
- Highest current ratio and quick ratio among all the companies. This means current assets of PEL is improving and it's a positive sign for the future possible prospects.
- EPS averaged 2.4 PKR. over period of 5 years.

PEL is a market leader because of its continuous efforts to improve its products and services.

The company experienced a tough time due to Covid-19 in 2019 and 2020 but in 2021 PEL got back on track and increased its production. The company is not only surviving but also making progress. It is producing the products within the country, providing it to people within and also exporting it to abroad. PEL must improve its operating activity, inventory management and profitability related ratios.

5.4 Waves Corporation Ltd.

Financial performances of Waves Corp. Ltd

- Operating cycle which averaged 299 working days.
- Profit Margin averaged 4.3% and EPS averaged 2 PKR. only.
- Inventory Turnover rate averaged 2.4 times.
- Highest debt to equity ratio as compared to other respective companies.

Waves Corporation Ltd. has to improve on lots of aspects such as by improving its operational activities, inventory management, profitability related ratios. Through effective utilization of modern machinery, by speeding up sale of inventory and easy payment plans they can shorten operational cycle. They have to win back confidence of investors by offering competitive yield and DPO to its investors this will automatically improve debt to equity ratio of Waves Corp. Ltd.

CHAPTER 6

RECOMMENDATIONS

6.1 Siemens Engineering Co. Ltd.

- Developing Effective Collection Strategy and Client Management

Consistent collection procedures will improve internal and external communications, and help the company respond more quickly to past due accounts. Through effective segmentation of customers and developing collection strategies for each segment based on their size, interest and payment preferences. Siemens accounts receivable collections procedures should involve more than just your AR team. Keep all client-facing teams, including sales and finance, in the loop to ensure consistent communication with clients and make sure company have a clear picture of the client's experience regarding their product and experience. This will automatically shorten average collection period of Siemens Engineering Co. Ltd.

- Encourage Earlier Payments/ Discounts

Siemens can avoid late payments and time-consuming collections processes by making it easier for clients to pay on time by offering convenient payment methods. Such as by offering discounts as incentives to their clients. This will automatically shorten average collection period of Siemens Engineering Co. Ltd.

- Cost Effective Management

Through effective management of expenses such as cost of sales, admin, marketing and selling costs. They can improve their net sales, gross profit and net income.

- Improving Liquidity and Current Assets

Restructuring debt such as shifting short-term loans to short term debts to reduce its impact on liquidity, enhance asset management and cutting down expenses by careful and rigorous review of where to reduce line items like admin, marketing and sales related unnecessary expenses. Reduction of indirect costs is quite necessary as it usually takes big chunk of operating assets, and often not noticed.

6.2 Pakistan Cables Ltd.

- Cost Effective Strategy and Improving R&D

Cost of sales is major and the largest expense of Pakistan Cables. It averages 91% impact on the net sales as compared to other expenses such as marketing, selling, distribution and administrative costs. Pakistan Cables is largest importer of the Copper in Pakistan and strong linkages with highly recognized raw materials suppliers like Borealis suggests that Pakistan Cables doesn't compromise on its quality. But on other hand we observe impact of costs related to production and procurement are really high. After nearly 70 years of working experience now Pakistan Cables must become more self-dependent and it must reduce its cost of sales by acquiring professional labor, manufacturing skills of experts and by improving their Research and Development department.

- Increasing Collaborative Partnerships

Pakistan Cables already collaborates with many highly recognized firms such as Shell, Honda, Engro, Samsung, Nestle, Coca-Cola, PEPSICO, GSK, SIEMENS, Schneider Electric and many more. Through effective strategy of increasing collaborative partnerships with other renowned firms Pakistan Cables can increase its net sales, it can become globally recognized and a highly reputable firm.

- Effective Marketing Strategy

Pakistan Cables must not only further improve its partnerships but its marketing and sales strategy so that it can enhance its customer base both within Pakistan and abroad so that it can gain fruits of high profits via remittances.

- Effective Pricing Strategy and High Quality Standards

Although Pakistan Cables is only cable manufacturing company firm in Pakistan that is listed in stock exchange. Its competitors such as Riyadh Cables Group, Kabelindo Murni, Future Fibers and Cofle are relatively new entrants in market. Thus, in order to retain its customer base and to meet customers' expectations they must adapt strategy of using top quality materials and develop effective pricing strategy considering the pockets of masses.

6.3 Pak Elektron Ltd. (PEL)

- Effective Marketing Strategy

PEL should focus on enhancing or improving its marketing strategy to retain and attract more customers in order to establish its market strength at both national level and abroad.

- Unique Selling Propositions

Attractive incentives like discounts and vouchers should be provided to the customers. PEL should initiate seasonal schemes, it will boost sales. The appliance market is showing growth so PEL should introduce unique features in their appliances and introduce unique product lines with innovative features in order to satisfy their customer base.

- Training of Sales Team

PEL should introduce educational training programs for its employees especially its sales team. These training programs helps in reshaping innovative ideas, marketing skills and confidence level in order to deal with new customer base. It will also help sales collection team in effective and timely collection of account receivables.

- Improvement of Technology

Utilizing high quality technology in their industrial plants will help in saving labor related costs plus quality of product lines will improve offering more advance, attractive and exciting features as well.

6.4 Waves Corporation Ltd.

- Operational Excellences

These are risks associated with internal factors, administrative and operational procedures like employee turnover, supply chain disruption, IT system shutdowns or control failures.

- Company should initiate vendor rationalization, emphasis on in-house manufacturing and scorecard evaluation of vendors could be put in place.

- Company should place a quality and process improvement program across the Company, including strategic vendors, during the year with progress being tracked at regular Management reviews.
- Branding and Innovation Risks

It basically applies to innovative areas of one's business such as product research and to cope up with latest market trends and product innovation. Company should strengthen its consumer insight process and fill up competency gaps in the concerned function. In addition to it, research and development department should be more strengthened and should be continuously looking into and implementing product innovation strategies.
- Credit Risks

It basically indicates risk of loss if the counterparties fail to perform as contracted. The company can apply individual credit limits and by securing the majority of trade debts against bank guarantees. The credit risk arising on account of acceptance of these bank guarantees can be managed by ensuring that the bank guarantees are issued by banks of reasonably high credit ratings as approved by the Board of Directors.
- Price Risks

It is when there are new entrants in the market; there is a likelihood of price competition which might squeeze margins. The Company should be constantly sourcing competitive suppliers, improving its technology, efficiency and productivity.

REFERENCES

- Pakistan Cables Ltd. vision, mission and corporate values retrieved on October 27, 2022 from
<https://www.pakistancables.com/home/about/vision-mission-values/>
- Pakistan Cables Director's Review while addressing stakeholders retrieved on October 25, 2022 from
<https://www.pakistancables.com/media/21168/q-march2022.pdf>
- Pakistan Cables Ltd. Financial Statements retrieved on November 1, 2022 from
<https://dps.psx.com.pk/company/PCAL>
- PEL vision, mission, corporate values and board of directors retrieved on October 27, 2022 from
<https://pel.com.pk/>
- PEL Financial Statements retrieved on November 1, 2022 from
<https://dps.psx.com.pk/company/PAEL>
- PEL Financial Statements retrieved on November 1, 2022 from
<https://pel.com.pk/wp-content/uploads/2022/05/PAK-ELEKTRON-LIMITED-ANNUAL-REPORT-2021.pdf>
- Waves Corporation Ltd. general information and financial figures retrieved on October 27, 2022 from
<https://www.wsj.com/market-data/quotes/PK/XKAR/WAVES/company-people>
- Waves Corporation Ltd. vision, mission and corporate values retrieved on October 27, 2022 from
<https://Waves.net.pk/about/>
- Siemens Engineering Co. Ltd. vision, mission and corporate values retrieved on October 27, 2022 from
<https://new.siemens.com/pk/en.html>
- Siemens Engineering Co. Ltd. Financial Statements retrieved on November 1, 2022 from
<https://www.wsj.com/market-data/quotes/XE/SIE/financials>
- S. Blerona, R. Berim, P. Abetare (2021), Samsung Vertical and Horizontal Analysis for 2015-16 and 2017-18, Journal of Economics and Management Sciences; Vol. 4, No. 1; 2021
- General Explanation of Methodology retrieved on November 4, 2022 from
<https://online.hbs.edu/blog/post/data-collection-methods>

ANNEXURES

Pakistan Cables

Table 1

	2021		2020		2019		2018		2017		2016	
	2021	vs 2020	2020	vs 2019	2019	vs 2018	2018	vs 2017	2017	vs 2016	2016	vs 2015
	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4,779	17.51	4,066	20.34	3,379	54.57	2,186	0.92	2,166	3.64	2,090	31.41
Right-of-use assets	52	(34.82)	79	100.00	-	-	-	-	-	-	-	-
Intangible assets	13	38.79	9	(0.07)	9	32.01	7	(2.31)	7	(37.26)	11	108.32
Investment in associated company	121	159.07	47	5.19	44	(54.20)	97	26.46	77	83.98	42	55.33
Long-term loans receivable	8	25.34	6	(11.25)	7	22.25	6	140.38	2	(17.45)	3	72.43
Long-term deposits and prepayments	6	(57.43)	15	(32.06)	21	100.00	-	-	-	(100.00)	3	(80.00)
Total non-current assets	4,978	17.90	4,222	22.00	3,461	50.76	2,296	1.93	2,252	4.80	2,149	31.04
CURRENT ASSETS												
Stores and spares	67	22.41	55	(5.96)	58	(9.14)	64	4.60	61	20.94	51	12.66
Stock-in-trade	2,504	31.62	1,902	(13.65)	2,203	12.72	1,955	2.08	1,915	23.76	1,547	22.56
Trade debts	2,787	68.61	1,653	(20.88)	2,089	5.94	1,972	49.49	1,319	29.30	1,020	6.21
Short-term loans and advances	60	150.76	24	(49.13)	47	(29.18)	67	238.49	20	17.91	17	(14.32)
Short-term deposits and prepayments	32	11.48	29	(49.83)	57	14.05	50	31.00	38	(24.16)	51	65.42
Other receivables	131	120.10	59	93.16	31	223.81	10	(68.87)	31	100.00	0.6	(62.44)
Advance tax - net of provision	366	(5.67)	388	(2.36)	397	113.87	186	83.13	101	(45.48)	186	(5.33)
Cash and bank balances	108	26.43	85	(3.19)	88	(84.65)	573	991.80	52	(4.14)	55	421.02
Total current assets	6,054	44.32	4,195	(15.60)	4,971	1.95	4,875	37.82	3,538	20.88	2,927	15.84
TOTAL ASSETS	11,032	31.06	8,417	(0.17)	8,432	17.58	7,171	23.86	5,790	14.07	5,076	21.82
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid-up capital	356	-	356	-	356	25.00	285	-	285	-	285	-
Advance against share capital	-	-	-	-	-	(100.00)	488	100.00	-	-	-	-
<i>Capital reserves</i>												
Share premium reserve	1,595	-	1,595	-	1,595	202.22	528	-	528	-	528	-
Revaluation surplus on property (land and building) - net of tax	1,599	(0.84)	1,613	(0.63)	1,623	46.99	1,104	0.11	1,103	(0.99)	1,114	35.39
<i>Revenue reserves</i>												
General reserve	1,268	-	1,268	3.34	1,227	7.82	1,138	22.89	926	15.46	802	13.28
Un-appropriated profit / (loss)	530	(959.70)	(62)	(180.51)	77	(64.41)	215	(20.25)	270	7.01	252	40.28
Total shareholders' equity	5,349	12.13	4,770	(2.21)	4,878	29.80	3,758	20.78	3,112	4.38	2,981	18.14
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term borrowings	740	11.58	663	(2.59)	681	135.21	289	46.06	198	(12.91)	228	355.00
Lease liabilities	10	(58.65)	25	100.00	-	-	-	-	-	-	-	-
Deferred liability for staff gratuity	44	3.30	43	36.28	31	(4.33)	33	12.15	29	(1.27)	30	18.90
Other long-term employee benefits	6	18.98	5	(85.50)	38	7.38	35	(0.59)	35	14.82	31	26.49
Deferred tax liability - net	39	(33.31)	59	(38.34)	96	52.81	63	6.95	58	(19.41)	73	45.03
Total non-current liabilities	840	5.57	795	(5.96)	845	101.38	420	30.73	321	(10.90)	360	141.57
CURRENT LIABILITIES												
Current portion of long-term borrowings	417	90.99	218	100.62	109	58.18	69	6.80	64	415.00	13	100.00
Current portion of lease liabilities	10	(82.42)	55	100.00	-	-	-	-	-	-	-	-
Trade and other payables	1,418	31.60	1,078	32.64	813	6.62	762	(26.55)	1,038	9.14	951	57.13
Short-term loan from banking companies	2,134	72.84	1,234	(17.62)	1,498	(15.77)	1,779	92.97	922	103.55	453	(32.10)
Contract liabilities	807	312.90	195	(12.14)	223	(33.37)	334	19.77	279	(6.57)	298	45.48
Unclaimed dividend	26	(0.25)	26	(1.77)	26	9.74	24	(44.31)	43	224.14	13	14.74
Mark-up accrued on bank borrowings	32	(29.08)	46	13.30	40	56.90	26	118.44	12	75.76	7	24.13
Total current liabilities	4,843	69.81	2,852	5.30	2,709	(9.51)	2,993	26.99	2,357	35.91	1,734	16.08
TOTAL LIABILITIES	5,683	55.83	3,647	2.62	3,554	4.12	3,413	27.44	2,678	27.86	2,095	27.47
TOTAL EQUITY AND LIABILITIES	11,032	31.06	8,417	(0.17)	8,432	17.58	7,171	23.86	5,790	14.07	5,076	21.82

Table 2

	2021		2020		2019		2018		2017		2016	
	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age	Rs. in M	%age
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	4,779	43.32	4,066	48.31	3,379	40.08	2,186	30.48	2,166	37.41	2,090	41.18
Right-of-use assets	52	0.47	79	0.94	-	-	-	-	-	-	-	-
Intangible assets	13	0.11	9	0.11	9	0.11	7	0.10	7	0.12	11	0.22
Investment in associated company	121	1.10	47	0.55	44	0.53	97	1.35	77	1.32	42	0.82
Long-term loans receivable	8	0.07	6	0.07	7	0.08	6	0.08	2	0.04	3	0.06
Long-term deposits and prepayments	6	0.06	15	0.17	21	0.25	-	-	-	-	3	0.06
Total non-current assets	4,978	45.12	4,222	50.16	3,461	41.05	2,296	32.01	2,252	38.90	2,149	42.34
CURRENT ASSETS												
Stores and spares	67	0.61	55	0.65	58	0.69	64	0.90	61	1.06	51	1.00
Stock-in-trade	2,504	22.70	1,902	22.60	2,203	26.13	1,955	27.26	1,915	33.07	1,547	30.48
Trade debts	2,787	25.26	1,653	19.63	2,089	24.77	1,972	27.50	1,319	22.78	1,020	20.10
Short-term loans and advances	60	0.55	24	0.29	47	0.56	67	0.93	20	0.34	17	0.33
Short-term deposits and prepayments	32	0.29	29	0.34	57	0.68	50	0.70	38	0.66	51	1.00
Other receivables	131	1.19	59	0.71	31	0.37	10	0.13	31	0.53	1	0.01
Advance tax - net of provision	366	3.32	388	4.61	397	4.71	186	2.59	101	1.75	186	3.66
Cash and bank balances	108	0.98	85	1.01	88	1.04	573	7.99	52	0.91	55	1.08
Total current assets	6,054	54.88	4,195	49.84	4,971	58.95	4,875	67.99	3,538	61.10	2,927	57.66
TOTAL ASSETS	11,032	100.00	8,417	100.00	8,432	100.00	7,171	100.00	5,790	100.00	5,076	100.00
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid-up capital	356	3.22	356	4.23	356	4.22	285	3.97	285	4.92	285	5.61
Advance against share capital	-	-	-	-	-	-	488	6.80	-	-	-	-
Capital reserves	1,595	14.46	1,595	18.95	1,595	18.92	528	7.36	528	9.12	528	10.40
Share premium reserve	1,599	14.50	1,613	19.16	1,623	19.25	1,104	15.40	1,103	19.05	1,114	21.95
Revaluation surplus on property (land and building) - net of tax	1,599	14.50	1,613	19.16	1,623	19.25	1,104	15.40	1,103	19.05	1,114	21.95
Revenue reserves	1,268	11.49	1,268	15.06	1,227	14.55	1,138	15.87	926	15.99	802	15.80
General reserves	530	4.81	(62)	(0.73)	77	0.91	215	3.00	270	4.66	252	4.97
Total shareholders' equity	5,349	48.48	4,770	56.67	4,878	57.85	3,758	52.41	3,112	53.74	2,981	58.73
LIABILITIES												
NON-CURRENT LIABILITIES												
Long-term borrowings	740	6.71	663	7.88	681	8.07	289	4.04	198	3.42	228	4.48
Lease liabilities	10	0.09	25	0.29	-	-	-	-	-	-	-	-
Deferred liability for staff gratuity	44	0.40	43	0.51	31	0.37	33	0.46	29	0.50	30	0.58
Other long-term employee benefits	6	0.06	5	0.06	38	0.45	35	0.49	35	0.61	31	0.61
Deferred tax liability - net	39	0.36	59	0.70	96	1.13	63	0.87	58	1.01	73	1.43
Total non-current liabilities	840	7.61	795	9.44	845	10.02	420	5.85	321	5.54	360	7.10
CURRENT LIABILITIES												
Current portion of long-term borrowings	417	3.78	218	2.59	109	1.29	69	0.95	64	1.11	13	0.25
Current portion of lease liabilities	10	0.09	55	0.66	-	-	-	-	-	-	-	-
Trade and other payables	1,418	12.86	1,078	12.80	813	9.64	762	10.63	1,038	17.92	951	18.73
Short-term loan from banking companies	2,134	19.34	1,234	14.67	1,498	17.77	1,779	24.81	922	15.92	453	8.92
Contract liabilities	807	7.32	195	2.32	223	2.64	334	4.66	279	4.82	298	5.88
Unclaimed dividend	26	0.23	26	0.30	26	0.31	24	0.33	43	0.74	13	0.26
Mark-up accrued on bank borrowings	32	0.29	46	0.54	40	0.48	26	0.36	12	0.20	7	0.13
Total current liabilities	4,843	43.90	2,852	33.89	2,709	32.13	2,993	41.74	2,357	40.71	1,734	34.17
TOTAL LIABILITIES	5,683	51.52	3,647	43.33	3,554	42.15	3,413	47.59	2,578	46.26	2,095	41.27
TOTAL EQUITY AND LIABILITIES	11,032	100.00	8,417	100.00	8,432	100.00	7,171	100.00	5,790	100.00	5,076	100.00

Table 3

INCOME STATEMENT	▼ 2021	▼ % change 2021-20	▼ 2020	▼ %change 2020-19	▼ 2019	▼ %change 2019-18	▼ 2018	▼ %change 2018-17	▼ 2017
Net Sales	13,145	44.60%	9,086	-6.37%	9,704	1.50%	9,561	18.28%	8,064
Cost of Sales	11,619	41.24%	8,226	-3.89%	8,559	1.60%	8,424	23.59%	6,816
Gross Profit	1,526	77.44%	860	-24.91%	1,145	0.75%	1,137	10.29%	1,248
Marketing, Selling and Distribution Costs	-520	19.46%	-435	14.66%	-510	16.33	-438	7.94%	-406
Administrative Expenses	-272	22.34%	-222	16.48%	-266	6.95%	-249	8.86%	-229
Impairment reversal/ (loss) on trade debts	9	-151.37%	-17	100%	0.1	100%		-100%	-1
	-783	16.13%	-674	-13.09%	-776	12.92%	-687	8.02%	-636
Finance Costs	-192	-32.06%	-283	50.20%	-189	41.15%	-134	103.62%	-66
Impairment reversal/ loss on investments	57	100%		-100%	-57	100%			
Other Expenses	-55	-100%	-4	-69.52	-15	-50.48%	-29	-39.74%	-49
	-190		-287	-10.48%	-260	59.77%	-163	42.52%	-114
Other Income	177	382.54%	37	-32.64	55	34.13%	41	-58.35%	98
Share of Profit from associate under equity basis	19	100%	1	-95.45%	12	-22.68%	16	68.85%	10
Profit/Loss before tax	750	100%	-64	-136.54	176	-48.70%	344	-44.93%	624
Taxation	-196	617.17%	-27	-45.44	-50	30.46%	-36	-73.65%	-146
Profit/Loss after tax	554	100%	-92	-172.71	126	-58.66%	305	-36.18%	478

Table 4

INCOME STATEMENT	▼ 2021	▼ % change 2021-20	▼ 2020	▼ %change 2020-19	▼ 2019	▼ %change 2019-18	▼ 2018	▼ %change 2018-17	▼ 2017
Net Sales	13,145	100.00%	9,086	100.00%	9,704	100.00%	9,561	100.00%	8,064
Cost of Sales	-11,619	-88.39%	-8,226	-90.53%	-8,559	-88.19%	-8,424	-88.11%	-6,816
Gross Profit	1,526	11.61%	860	9.47%	1,145	11.81%	1,137	11.89%	1,248
Marketing, Selling and Distribution Costs	-520	-3.95%	-435	-4.79%	-510	-5.25%	-438	-4.58%	-406
Administrative Expenses	-272	-2.07%	-222	-2.45%	-266	-2.74%	-249	-2.60%	-229
Impairment reversal/ (loss) on trade debts	9	0.07%	-17	-0.19%	0.1	0%			-1
	-783	-5.96%	-674	-7.42%	-776	-8.00%	-687	-7.19%	-636
Finance Costs	-192	-1.46%	-283	-3.12%	-189	-1.94%	-134	-1.40%	-66
Impairment reversal/ loss on investments	57	0.44%			-57	-0.59%			
Other Expenses	-55	-0.42%	-4	-0.05%	-15	-0.15%	-29	-0.31%	-49
	-190	-1.45%	-287	-3.17%	-260	-2.68%	-163	-1.70%	-114
Other Income	177	1.35%	37	0.40%	55		41	0.43%	98
Share of Profit from associate under equity basis	19	0.15%	1	0.01%	12	0.13%	16	0.17%	10
Profit/Loss before tax	750	5.70%	-64	-0.71%	176	1.82%	344	3.60%	624
Taxation	-196	-1.49%	-27	-0.30%	-50	-0.52%	-36	-0.40%	-146
Profit/Loss after tax	554	4.21%	-92	-1.01%	126	1.30%	305	3.19%	478

Chart Area

Table 5**Balance Sheet**

YEAR	In Thousands (,000)					
	2022	2021	2020	2019	2018	CHART
Cash	255,814	107,644	85,140	87,942	572,866	
Inventory	3,863,451	2,503,864	1,902,397	2,203,201	1,954,584	
Current Asset	8,739,166	6,054,108	4,195,014	4,985,880	4,875,412	
Investments	65,723	120,977	46,696	44,392	96,926	
Fixed Asset	10,754,091	4,977,807	4,222,181	3,445,674	2,295,622	
Total Assets	19,493,257	11,031,915	8,417,195	8,431,554	7,171,034	
Current Liability	9,255,301	4,843,381	2,852,285	2,708,640	2,993,366	
Fixed Liability	1,231,670	839,836	794,752	845,123	419,671	
Total Liabilities	10,486,971	5,683,217	3,647,037	3,553,763	3,413,037	
Paid Up Capital	409,146	355,779	355,779	355,779	355,779	
Total Equity	9,006,286	5,348,698	4,770,158	4,877,791	3,757,997	

Table 6**Income Statement**

YEAR	In Thousands (,000)					
	2022	2021	2020	2019	2018	CHART
Sales	21,167,659	13,145,051	9,086,125	9,704,311	9,560,954	
Cost Of Sales	18,416,849	11,618,566	8,225,834	8,558,638	8,423,835	
Gross Profit	2,750,810	1,526,485	860,291	1,145,673	1,137,119	
Operating Profit	1,658,605	734,699	202,855	369,649	449,952	
Other Income	135,634	177,377	36,759	54,574	40,687	
Finance Cost	313,772	192,473	283,279	188,600	133,616	
Profit Before Tax	1,330,938	749,794	-64,436	176,359	343,766	
Taxation	503,212	196,147	27,350	50,126	38,423	
Profit After Tax	827,726	553,647	-91,786	126,233	305,343	

PEL

Table 7

HORIZONTAL ANALYSIS

	2021 Rs. in M	2021 vs 2020 %age	2020 Rs. in M	2020 vs 2019 %age	2019 Rs. in M
EQUITY AND LIABILITIES					
Equity	35,027	10.44	31,715	3.35	30,688
Non-current liabilities	9,719	16.91	8,314	48.17	5,611
Current liabilities	15,067	2.05	14,765	(1.65)	15,012
TOTAL EQUITY AND LIABILITIES	59,813	9.16	54,793	6.79	51,311
ASSETS					
Non-current assets	25,608	0.40	25,507	2.68	24,842
Current assets	34,205	16.80	29,286	10.64	26,469
TOTAL ASSETS	59,813	9.16	54,793	6.79	51,311
PROFIT OR LOSS					
Revenue	55,367	45.75	37,988	0.98	37,621
Gross profit	9,068	41.65	6,402	(2.61)	6,573
Operating profit	4,381	71.37	2,557	(24.00)	3,364
Profit before taxation	2,206	519.87	356	(59.60)	881
Profit after taxation	1,591	610.78	224	(74.52)	879
2019 vs 2018 %age	2018 Rs. in M	2018 vs 2017 %age	2017 Rs. in M	2017 vs 2016 %age	2016 Rs. in M
1.35	30,280	12.14	27,001	5.84	25,511
(3.76)	5,830	(10.33)	6,502	(6.73)	6,971
(6.12)	15,990	53.55	10,413	32.75	7,845
(1.51)	52,100	18.64	43,916	8.90	40,327
4.59	23,752	25.68	18,899	4.60	18,068
(6.63)	28,348	13.31	25,017	12.39	22,259
(1.51)	52,100	18.64	43,916	8.90	40,327
(3.51)	38,990	(7.93)	42,347	24.10	34,124
(6.06)	6,997	(23.24)	9,116	10.05	8,284
(8.17)	3,663	(28.95)	5,155	(8.20)	5,616
(43.43)	1,557	(56.78)	3,603	(12.53)	4,119
(35.94)	1,371	(58.54)	3,308	(9.86)	3,670

Table 8**VERTICAL ANALYSIS**

	2021		2020				
	Rs. in M	%age	Rs. in M	%age			
EQUITY AND LIABILITIES							
Equity	35,027	58.56	31,715	57.88			
Non-current liabilities	9,719	16.25	8,314	15.17			
Current liabilities	15,067	25.19	14,765	26.95			
TOTAL EQUITY AND LIABILITIES	59,813	100.00	54,793	100.00			
ASSETS							
Non-current assets	25,608	42.81	25,507	46.55			
Current assets	34,205	57.19	29,286	53.45			
TOTAL ASSETS	59,813	100.00	54,793	100.00			
PROFIT OR LOSS							
Revenue	55,367	100.00	37,988	100.00			
Gross profit	9,068	16.38	6,402	16.85			
Operating profit	4,381	7.91	2,557	6.73			
Profit before taxation	2,206	3.98	356	0.94			
Profit after taxation	1,591	2.87	224	0.59			
	2019	2018	2017	2016			
Rs. in M	%age	Rs. in M	%age	Rs. in M	%age		
30,688	59.81	30,280	58.12	27,001	61.48	25,511	63.26
5,611	10.94	5,830	11.19	6,502	14.81	6,971	17.29
15,012	29.26	15,990	30.69	10,413	23.71	7,845	19.45
51,311	100.00	52,100	100.00	43,916	100.00	40,327	100.00
24,842	48.41	23,752	45.59	18,899	43.03	18,068	44.80
26,469	51.59	28,348	54.41	25,017	56.97	22,259	55.20
51,311	100.00	52,100	100.00	43,916	100.00	40,327	100.00
37,621	100.00	38,990	100.00	42,347	100.00	34,124	100.00
6,573	17.47	6,997	17.95	9,116	21.53	8,284	24.28
3,364	8.94	3,663	9.39	5,155	12.17	5,616	16.46
881	2.34	1,557	3.99	3,603	8.51	4,119	12.07
879	2.34	1,371	3.52	3,308	7.81	3,670	10.75

Table 9**Balance Sheet**

In Thousands (,000)

YEAR	2021	2020	2019	2018	2017	CHART
Cash	579,397	552,278	513,907	471,258	484,194	
Inventory	10,464,973	9,499,264	7,793,568	10,786,157	8,149,848	
Current Asset	34,204,957	29,286,312	26,469,042	28,347,536	25,017,151	
Investments	13,505	10,653	5,763	6,985	8,848	
Fixed Asset	25,608,208	25,507,031	24,842,140	23,752,403	18,898,865	
Total Assets	59,813,165	54,793,343	51,311,182	52,099,939	43,916,016	
Current Liability	15,067,038	14,764,934	15,012,035	15,989,831	10,413,435	
Fixed Liability	9,719,312	8,313,687	5,611,004	5,830,413	6,501,991	
Total Liabilities	24,786,350	23,078,621	20,623,039	21,820,244	16,915,426	
Paid Up Capital	8,560,120	4,976,814	4,976,814	4,976,814	4,976,814	
Total Equity	35,026,815	31,714,722	30,688,143	30,279,695	27,000,590	

Table 10**Income Statement**

In Thousands (,000)

YEAR	2021	2020	2019	2018	2017	CHART
Sales	42,887,364	28,799,018	22,349,749	28,445,311	31,000,042	
Cost Of Sales	33,819,712	22,397,517	19,021,046	21,448,040	21,883,842	
Gross Profit	9,067,652	6,401,501	3,328,703	6,997,271	9,116,200	
Operating Profit	4,562,728	2,597,958	1,763,358	3,708,500	5,313,824	
Other Income	38,595	36,099	33,887	17,977	17,793	
Finance Cost	2,173,765	2,198,358	1,539,898	2,103,343	1,546,604	
Profit Before Tax	2,206,378	355,940	211,336	1,557,302	3,603,465	
Taxation	615,302	132,091	33,494	185,833	295,211	
Profit After Tax	1,591,076	223,849	177,842	1,371,469	3,308,254	

Waves Corp. Ltd.

Table 11

	2018-2017	% change	2019-2018	% change	2020-2019	% change	2021-2020	% change
ASSETS								
NON-CURRENT ASSETS								
Property, Plant and Equipment	73694	1.574	949968	19.980	-133406	-2.339	718296	12.893
Intangible Assets	-12772	-0.429	-19422	-0.655	-28978	-0.984	-38905	-1.334
Employee Retirement Benefits- Prepayments	9960	-	-6572	-65.984	-3388	-100.000	0	-
Trade debts	0	-	12493	-	27320	218.682	-20583	-51.699
Long Term Deposits	-3528	-12.987	2751	11.639	-5534	-20.972	-6960	-33.375
Total Non-Current Assets	67354	0.876	939218	12.113	-143986	-1.656	651848	7.625
CURRENT ASSETS								
Stores, Spares and Loose Tools	8117	35.418	6673	21.502	-3945	-10.462	11960	35.423
Stock In Trade	499371	19.263	561763	18.170	-690419	-18.898	1204691	40.657
Trade Debts	1089692	50.524	1000142	30.807	1638091	38.574	971176	16.503
Short term Advances, Deposit & Others	42864	40.099	-4207	-2.809	-39711	-27.283	26909	25.424
Taxation-Net	-11418	-3.301	-98365	-29.410	-48452	-20.522	56000	29.844
Cash and Bank Balances	-186400	-63.913	58322	55.414	-20366	-12.451	9651	6.739
Total Current Assets	1442226	26.144	1524328	21.905	835198	9.846	2280387	24.472
Non current assets held for sale	0	-	0	-	0	-	1470	-
TOTAL ASSETS	1509580	11.434	2463546	16.744	691212	4.024	2933705	16.419

	2018-2017	% change	2019-2018	% change	2020-2019	% change	2021-2020	% change
EQUITIES AND LIABILITIES								
SHARE CAPITAL AND RESERVES								
Issued, Subscribe and Paid-Up Capital	1177284	259.282	-1445299	-88.596	1690000	908.402	938021	50.000
Share to be Issued Pursuant to Amalgamation	-964500	-100.000	0	-	0	-	0	-
Share Premium Reserve	-212784	-4.223	-244701	-5.071	0	0.000	444598	9.705
Capital Reserve	0	0.000	0	0.000	0	0.000	0	0.000
Revenue Reserve - Un-appropriate profit / Loss	223187	14.068	-294275	-16.262	144798	9.555	-1341569	-80.810
Surplus on Revaluation of PPE	-705	-0.597	245149	208.824	-24373	-6.723	223527	66.099
TOTAL EQUITIES	222482	2.724	-49126	-0.586	120425	1.444	264577	3.127
Non-controlling interests	0	-	0	-	0	-	1549295	-
LIABILITIES								
NON-CURRENT LIABILITIES								
Long Term Loans-Secured	163995	28.858	685000	93.545	589208	41.573	-903376	-45.023
Liabilities Against Assets Subject to Finance Lease	4200	10.979	395209	930.911	-171929	-39.283	-129899	-48.883
Employee Retirement Benefits- Obligation	7296	13.381	-20612	-33.340	-2601	-6.311	-2024	-5.242
Deferred Taxation-Net	24099	9.790	9919	3.670	16704	5.962	170892	57.395
Deferred Income	7535	59.429	-4640	-22.954	5298	34.018	-13093	-62.730
Total Non-Current Liabilities	207125	22.516	1064876	94.487	436675	19.922	-878000	-33.402
CURRENT LIABILITIES								
Trade and Other Payables	598680	50.270	74896	4.185	-179111	-9.606	611777	36.299
Accrued Interest/Mark Up	23572	31.955	119228	122.489	-38150	-17.616	5813	3.258
Short-Term Running Finances	246370	8.962	1118295	37.335	-158629	-3.856	1233253	31.183
Loan from Directors - unsecured	0	0.000	0	0.000	380500	0.000	-265200	-69.698
Unclaimed Dividend	0	0.000	-1325	-100.000	0	0.000	0	0.000
Unpaid Dividend	1517	0.000	-60	-3.955	-181	-12.423	-97	-7.602
Current Portion of long-term Liabilities	209834	206.499	136762	43.912	129683	28.933	412287	71.343
Total current liabilities	1079973	26.235	1447796	27.861	134112	2.018	1997833	29.473
TOTAL LIABILITIES	1287098	25.556	2512672	39.735	570787	6.460	1119833	11.904
TOTAL EQUITIES AND LIABILITIES	1509580	11.434	2463546	16.744	691212	4.024	2933705	16.419

Table 12

WAVES Corporation Limited									
Horizontal Analysis of Income statement									
For the year ended on 31 dec,									
	2018-2017	% change	2019-2018	%	2020-2019	%	2021-2020	%	
Gross Sales	5496174	115.158	1391356	13.549	-1430198	-12.266	2091375	20.443	
Gross Profit	1180622	107.595	351466	15.429	-784995	-29.855	437989	23.747	
(-) Admin, Marketing, Selling and Distribution Expenses	498766	53.956	-20147	-1.416	-21517	-1.534	196622	14.233	
(-) Other Expenses	-9992	-8.414	-23520	-21.624	-42577	-49.945	79752	186.900	
Operating Profit	691848	1278.194	395133	52.969	-720701	-63.158	161415	38.395	
(-) Finance Cost(net)	55949	25.797	403967	148.067	-59962	-8.860	-300182	-48.665	
Other Income	-460905	-92.502	119936	321.036	308536	196.151	0	0.000	
Profit For the year before tax	174994	52.157	111102	21.763	-352403	-56.692	-19239	-7.147	
(-) Taxation	105051	449.301	114877	89.446	-101571	-41.746	45514	32.111	
Profit after taxation	69943	22.408	-3775	-0.988	-250832	-66.305	200419	157.231	

Table 13**Balance Sheet**

In Thousands (,000)

YEAR	2021	2020	2019	2018	2017	CHART
Cash	152,854	143,203	163,569	105,247	291,647	
Inventory	4,167,736	2,963,045	3,653,464	3,091,701	2,592,330	
Current Asset	11,600,068	9,318,211	8,483,007	6,958,685	5,516,459	
Investments	0	0	0	0	173,501	
Fixed Asset	9,201,065	8,549,217	8,693,209	7,753,985	7,686,631	
Total Assets	20,801,133	17,867,428	17,176,216	14,712,670	13,203,090	
Current Liability	8,776,273	6,778,440	6,644,328	5,196,532	4,116,559	
Fixed Liability	1,750,564	2,628,564	2,191,889	1,127,013	919,888	
Total Liabilities	10,526,837	9,407,004	8,836,217	6,323,545	5,036,447	
Paid Up Capital	2,814,060	2,814,060	1,876,040	1,876,040	1,631,340	
Total Equity	10,274,296	8,460,424	8,339,999	8,389,125	8,166,643	

Table 14**Income Statement**

In Thousands (,000)

YEAR	2021	2020	2019	2018	2017	CHART
Sales	10,439,010	8,525,481	9,483,974	8,516,016	3,685,623	
Cost Of Sales	8,156,644	6,681,104	6,854,602	6,238,110	2,588,339	
Gross Profit	2,282,366	1,844,377	2,629,372	2,277,906	1,097,284	
Operating Profit	704,245	462,878	1,226,356	854,743	192,219	
Other Income	249,967	465,831	157,295	37,359	498,264	
Finance Cost	705,015	879,695	867,850	430,503	296,235	
Profit Before Tax	515,139	269,206	621,609	510,507	335,513	
Taxation	187,252	141,738	243,309	128,432	23,381	
Profit After Tax	318,620	127,468	378,300	382,075	312,132	

Siemens Co. Ltd.**Table 15**

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Horizontal Analysis of Income Statement					
As on September 30, _					
	2017	2018	2019	2020	2021
Net sales and services		34.145697	-14.594706	-23.19659	12.05412
(-) Cost of Sales And Services		33.842703	-12.637999	-15.916	0.078742
Gross Profit		35.65424	-24.206643	-64.41991	172.2945
(-) Marketing And Selling Expense		-7.4802816	-2.1712544	-8.953435	23.55989
(-) (Allowances for)/ Reversal of Expected Credit Losses					
(-) General Administrative Expenses		5.7408253	20.204043	7.226426	9.603184
		-4.7696911	2.9224345	-4.651663	34.89161
Gain on Disposal Of Assets Classified As Held for sales		0	0	0	0
Other Income		6891.7976	-97.98963	-46.48759	441.7048
(-) Other Operating Expenses		51.594473	-46.218452	-100	0
Net Other Income		-47.180939	35.286026	-82.03798	1794.731
Operating Profit / Losses		73.044628	-37.131333	-96.1264	2353.472
Financial Income		-75.744414	-82.18986	10.90248	768.6647
(-) Financial Expenses		386.51877	199.72566	-25.36685	-81.12963
Net Finance Income / (Expenses)		-68.674522	444.26172	-26.39634	-82.52583
Profit/Loss Before Tax		53.836793	-46.344275	-81.08582	513.2127
(-) Income Tax		208.24077	-54.486193	-44.92423	100.5154
Net Profit/Loss For the Year		5.0592897	-38.797812	-30.08635	71.36679

Table 16

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Horizontal Analysis of Balance Sheet					
As on September 30, —					
		2018	2019	2020	2021
Equity and Liabilities					
Share Capital And reserves					
Share Capital					
Authorized		0.00	0.00	0.00	0.00
Issued, Subscribe and paid-up		0.00	0.00	0.00	0.00
Reserves					
Capital		0.00	0.00	0.00	0.00
Revenue		9.77	4.13	-19.29	19.65
Total reserves		8.61	3.67	-17.25	17.14
Total Equity		8.48	3.62	-17.02	16.86
Non-Curent Liabilities					
Long Term Financing		0.00	0.00	0.00	-76.07
Lease Liabilities		0.00	0.00	0.00	-28.06
Deffered Liabilities		0.00	0.00	0.00	-7.40
Retention Liabilities		186.24	-59.67	-21.77	-93.31
Other liabilities		47.33	17.90	-100.00	0.00
Total Non-Current Liabilities		148.88	-47.32	853.15	-25.14
Current Liabilities					
Trade and Other Payables		-1.29	-14.81	-9.17	16.60
Contract Liabilities		0.00	29.80	-24.57	137.88
Current Portion of the Non-Current Liabilities		0.00	0.00	0.00	6.52
Short Term Running Finances		1,020.76	-57.70	-99.81	-100.00
Provisions		-39.47	2.78	-16.78	-0.16
Taxtion - Net		50.08	-19.44	-63.64	82.73
Unclaimed Dividend		0.00	7.68	4.72	-0.63
Total Current Liabilities		33.24	-14.92	-20.75	39.64
Total Liabilities		34.12	-15.37	-13.15	33.46
Total Equities and Liabilities		24.66	-9.28	-14.57	27.55
Assets					
Non-Current Assets					
Property, Plant and Equipment		24.13	-2.57	-25.97	7.29
Right to Use Assets		0.00	0.00	0.00	-24.03
Intangible Assets		-8.87	-65.07	-71.01	-100.00
Long Term Loans and Trade Receivables		-9.06	72.48	-34.36	0.02
Long Term Payments		-49.47	-95.39	-100.00	0.00
Deffered Tax assets - Net		-21.64	-1.34	3.36	-34.87
Total Non- Current Assets		-11.22	13.96	-7.93	-18.78
Current Assets					
Inventories		-18.73	-0.66	-38.14	67.42
Trade Receivables		60.53	14.30	-10.45	27.94
Contract Assets		150.42	-43.85	-12.18	-29.68
Loans and Advance		75.61	11.30	-27.88	-29.00
Deposit and Short Term Payments		103.18	-28.53	12.67	-17.22
Other Receivables		154.71	-16.31	-44.20	31.59
Cash and Bank Balance		-61.32	-61.84	-20.89	448.90
Total Current Assets		29.85	-11.57	-15.43	34.00
Assets Classified as Held For Sale		0.00	0.00	0.00	-100.00
Total Assets		24.66	-9.28	-14.57	27.55

Table 17

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Vertical Analysis of Balance Sheet					
As on December 31, _					
	2017	2018	2019	2020	2021
Equity and Liabilities					
Reserves					
Capital	4.32	3.47	3.82	4.47	3.51
Revenue	31.98	28.16	32.32	30.53	28.64
Total reserves	36.30	31.63	36.14	35.00	32.15
Total Equity	36.87	32.08	36.64	35.59	32.61
Non-Current Liabilities					
Long Term Financing	0.00	0.00	0.00	0.94	0.18
Lease Liabilities	0.00	0.00	0.00	0.80	0.45
Deffered Liabilities	0.00	0.00	0.00	4.08	2.96
Retention Liabilities	0.35	0.80	0.35	0.32	0.02
Other liabilities	0.13	0.15	0.20	0.00	0.00
Total Non-Current Liabilities	0.48	0.95	0.55	6.15	3.61
Current Liabilities					
Trade and Other Payables	51.40	40.70	38.22	40.64	37.15
Contract Liabilities	0.00	8.74	12.51	11.04	20.59
Current Portion of the Non-Current Liabilities	0.00	0.00	0.00	1.15	0.96
Short Term Running Finances	1.16	10.42	4.86	0.01	#VALUE!
Provisions	7.25	3.52	3.99	3.89	3.04
Taxtion - Net	2.84	3.42	3.03	1.29	1.85
Unclaimed Dividend	0.00	0.17	0.20	0.24	0.19
Total Current Liabilities	62.65	66.97	62.80	58.26	63.78
Total Liabilities	63.13	67.92	63.36	64.41	67.39
Total Equities and Liabilities	100.00	100.00	100.00	100.00	100.00
Assets					
Non-Current Assets					
Property, Plant and Equipment	2.16	2.15	2.31	2.01	1.69
Right to Use Assets	0.00	0.00	0.00	0.94	0.56
Intangible Assets	0.03	0.02	0.01	0.00	0.00
Long Term Loans and Trade Receivables	2.67	1.94	3.70	2.84	2.23
Long Term Payments	0.05	0.02	0.00	0.00	0.02
Deffered Tax assets - Net	7.71	4.85	5.27	6.38	3.26
Total Non- Current Assets	12.62	8.99	11.29	12.17	7.75
Current Assets					
Inventories	11.20	7.30	7.99	5.79	7.60
Trade Receivables	34.11	43.92	55.33	58.00	58.18
Contract Assets	12.38	24.87	15.39	15.82	8.72
Loans and Advance	0.90	1.26	1.55	1.31	0.73
Deposit and Short Term Payments	0.53	0.87	0.68	0.90	0.59
Other Receivables	2.32	4.74	4.37	2.85	2.94
Cash and Bank Balance	25.94	8.05	3.39	3.14	13.49
Total Current Assets	87.38	91.01	88.71	87.81	92.25
Total Assets	100.00	100.00	100.00	100.00	100.00

Table 18

SIEMENS (PAKISTAN) ENGINEERING CO. LTD					
Vertical Analysis of Income Statement					
As on Dec 31,					
	2017	2018	2019	2020	2021
Net sales and services	100.00	100.00	100.00	100.00	100.00
(-) Cost of Sales And Services	83.27	83.09	84.99	93.05	83.10
Gross Profit	16.73	16.91	15.01	6.95	16.90
(-) Marketing And Selling Expense	5.60	3.86	4.42	5.24	5.78
(-) (Allowances for)/ Reversal of Expected Credit Lo	0.00	0.00	0.00	0.00	1.04
(-) General Administrative Expenses	1.44	1.14	1.60	2.24	2.19
	7.04	5.00	6.03	7.48	9.01
Gain on Disposal Of Assets Classified As Held for sal	0.00	0.00	0.00	0.00	1.73
Other Income	0.11	5.72	0.13	0.09	0.45
(-) Other Operating Expenses	0.75	0.85	0.54	0.00	0.59
Net Other Income	0.64	0.25	0.40	0.09	1.59
Operating Profit / Losses	9.04	11.66	8.58	0.43	9.48
Financial Income	1.05	0.19	0.04	0.06	0.44
(-) Financial Expenses	0.11	0.41	1.44	1.39	0.23
Net Finance Income / (Expenses)	0.94	0.22	1.40	1.34	0.21
Profit/Loss Before Tax	9.98	11.44	7.19	1.77	9.69
(-) Income Tax	2.40	5.50	2.93	2.10	3.76
Net Profit/Loss For the Year	7.58	5.94	4.26	3.87	5.92

Table 19

Balance Sheet						In Thousands (,000)
YEAR	2021	2020	2019	2018	2017	CHART
Cash	2,402,311	437,657	553,204	1,449,708	3,748,015	
Inventory	1,352,302	807,716	1,305,741	1,314,431	1,617,439	
Current Asset	16,424,782	12,260,095	14,493,932	16,390,641	12,623,080	
Investments	0	0	0	0	0	
Fixed Asset	1,379,903	1,698,877	1,845,284	1,619,188	1,823,794	
Total Assets	17,804,685	13,958,972	16,339,216	18,009,829	14,446,874	
Current Liability	11,355,951	8,648,157	10,261,739	12,060,756	9,051,602	
Fixed Liability	642,437	342,158	90,033	170,904	68,668	
Total Liabilities	11,998,388	8,990,315	10,351,772	12,231,660	9,120,270	
Paid Up Capital	82,470	82,470	82,470	82,470	82,470	
Total Equity	5,806,297	4,968,657	5,987,444	5,778,169	5,326,604	

Table 20**Income Statement**

In Thousands (‘000)

YEAR	2021	2020	2019	2018	2017	CHART
Sales	14,348,950	12,805,375	16,672,924	19,522,120	14,552,923	
Cost Of Sales	11,924,309	11,914,927	14,170,266	16,220,171	12,118,831	
Gross Profit	2,424,641	890,448	2,502,658	3,301,949	2,434,092	
Operating Profit	1,281,036	-67,450	1,498,028	2,325,845	1,409,099	
Other Income	65,075	12,013	22,449	116,660	15,971	
Finance Cost	29,924	171,247	232,661	42,748	16,408	
Profit Before Tax	1,390,055	-226,684	1,198,487	2,233,661	1,451,968	
Taxation	540,050	269,331	489,019	1,074,441	348,572	
Profit After Tax	850,005	-496,015	709,468	1,159,220	1,103,396	

Weekly Email Submissions**Chapter 1: Introduction****Project: Introduction to Financial Statement Analysis (FSA)**

Hasin Nafees Ahmed <hasinnafees76@gmail.com>
to wasim.qasms ▾

Fri, Oct 14, 9:41 PM

Respected Sir,
 We are submitting our "Financial Management" Group Project Introduction.
 Semester: 5
 Section: A
 Group: C
 Group Members:
 Bismah Balouch, Hasin Nafees and Aimen Zulfiqar
 Date of Submission: 14th October, 2022

Yours Sincerely,
 Hasin Nafees
 Registration No.: 04152013038

2 Attachments • Scanned by Gmail ⓘ



Chapter 2: Literature Review

FM Project Chapter 2: Literature Review



Hasin Nafees Ahmed <hasinnafees76@gmail.com>
to wasim.qasms ▾

Fri, Oct 28, 10:56 PM

Respected Sir,
We are submitting our "Financial Management" Group Project Literature Review.

Group: C
Section: A
Group Members and division of work

- 1.) Aimen Zulfiqar (Market Value and Profitability Ratios)
- 2.) Hasin Nafees (General Introduction plus summary of ratio analysis, Activity Ratios and limitations related to ratio analysis)
- 3.) Bismah Balouch (Leverage Ratios and Liquidity Ratios)
- 4.) Saima Ahmed (Horizontal and Vertical Analysis)

Date of Submission: 28th October, 2022

Yours sincerely,
Hasin Nafees
Registration. No. 04152013038

2 Attachments • Scanned by Gmail ⓘ



Chapter 3: Methodology

3rd Chapter: Methodology



Hasin Nafees Ahmed <hasinnafees76@gmail.com>
to wasim.qasms ▾

Fri, Nov 11, 7:24 PM

Respected Sir,
We are submitting our "Financial Management" Group Project Methodology.

Group: C
Section: A
Group Members
1.) Bismah Bamloch
2.) Hasin Nafees
3.) Aimen Zulfiqar
4.) Nimra Haseeb

Yours sincerely,
Hasin Nafees
Registration No. 04152013038

2 Attachments • Scanned by Gmail ⓘ



Chapter 4: Data Analysis

4th Chapter: Data Analysis



Hasin Nafees Ahmed <hasinnafees76@gmail.com>
to wasim.qasms ▾

Sun, Nov 27, 11:51 PM (7 days ago)

Respected Sir,
We are submitting our "Financial Management" Group Project Data Analysis

Group: C
Section: A
Group Members
1.) Bismah Balouch
2.) Hasin Nafees
3.) Aimen Zulfiqar
4.) Nimra Haseeb

Yours sincerely,
Hasin Nafees
Registration No. 04152013038

2 Attachments • Scanned by Gmail ⓘ



Chapter 5 and Chapter 6: Conclusion and Future Recommendations



Hasin Nafees Ahmed <hasinnafees76@gmail.com>
to wasimqasms@gmail.com ▾

⌚ Wed, Nov 30, 11:23 PM (4 days ago)

Respected Sir,
We are submitting our "Financial Management" Group Project Conclusion and Recommendations
Group: C
Section: A
Group Members
1.) Bismah Balouch
2.) Hasin Nafees
3.) Aimen Zulfiqar
4.) Nimra Haseeb

Yours sincerely,
Hasin Nafees
Registration No. 04152013038

2 Attachments • Scanned by Gmail ⓘ



Final Draft submission of all chapters with preliminary pages



Hasin Nafees Ahmed <hasinnafees76@gmail.com>
to wasimqasms ▾

⌚ Sun, Dec 4, 9:25 PM

Respected Sir,
We are submitting our "Financial Management" Group Project Final Draft alongside Abstract, References and Annexures.
Group: C
Section: A
Group Members
1.) Bismah Balouch
2.) Hasin Nafees
3.) Aimen Zulfiqar
4.) Nimra Haseeb

Yours sincerely,
Hasin Nafees
Registration No. 04152013038

One attachment • Scanned by Gmail ⓘ

