



Pak Elektron Limited

# THE WINNING MINDSET

A large, light blue silhouette of a person in business attire is shown climbing a steep, rocky mountain. The person is reaching up, holding a long pole with a flag that is flying in the wind. The background is a bright, hazy sky. In the foreground, there are dark, jagged rock formations and some stylized, glowing blue lines that suggest a path or a digital interface.

**Interim Financial Report  
for the quarter ended March 31, 2022**



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# Corporate Information

## BOARD OF DIRECTORS

Mr. M. Naseem Saigol  
 Mr. Muhammad Murad Saigol  
 Mr. Muhammad Zeid Yousuf Saigol  
 Syed Manzar Hassan  
 Syed Haroon Rashid  
 Mr. Muhammad Kamran Saleem  
 Mr. Asad Ullah Khawaja  
 Ms. Azra Shoaib

Chairman - Non Executive  
 Chief Executive Officer - Executive/Certified (DTP)  
 Director - Executive/Certified (DTP)  
 Director - Executive/Certified (DTP)  
 Director - Independent/Certified (DTP)  
 Director - Independent/Certified (DTP)  
 Director - NIT Nominee/Independent  
 Director - NBP Nominee U/S 164 of the Act / Non Executive

## AUDIT COMMITTEE

Mr. Asad Ullah Khawaja	Chairman/Member
Syed Haroon Rashid	Member
Syed Manzar Hassan	Member

## HR & REMUNERATION COMMITTEE

Mr. Asad Ullah Khawaja	Chairman/Member
Syed Haroon Rashid	Member
Syed Manzar Hassan	Member

## COMPANY SECRETARY

Muhammad Omer Farooq

## CHIEF FINANCIAL OFFICER

Syed Manzar Hassan, FCA

## AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq  
 Chartered Accountants  
*A member of Russell Bedford International*

## LEGAL ADVISOR

M/s Hassan & Hassan Advocates

## COMPANY REG. NO.

0000802

## NATIONAL TAX NO. (NTN)

2011386-2

## STATUS OF COMPANY

Public Interest Company (PIC)

## SHARIAH ADVISOR

Mufti Altaf Ahmad

## SHARE REGISTRAR

Corplink (Pvt.) Limited Wings Arcade,  
 1-K Commercial Model Town, Lahore.  
 Tel: 042-35916714, 35839182,  
 Fax: 042-35869037  
 E-Mail: shares@corplink.com.pk

## BANKERS

Albaraka Bank (Pakistan) Limited  
 Askari Bank Limited  
 Bank Alfalah Limited  
 The Bank of Khyber  
 The Bank of Punjab  
 Sindh Bank Limited  
 Faysal Bank Limited  
 Bank Islami (Pakistan) Limited  
 MCB Bank Limited  
 National Bank of Pakistan  
 Pak Brunei Investment Company Limited  
 Pak Libya Holding Company (Private) Limited  
 Pak Oman Investment Company Limited  
 Silk Bank Limited  
 Soneri Bank Limited  
 Samba Bank Limited  
 Summit Bank Limited  
 Saudi Pak Industrial and Agriculture  
 Investment Company Limited  
 United Bank Limited

## REGISTERED OFFICE

17- Aziz Avenue, Canal Bank,  
 Gulberg-V, Lahore  
 Tel: 042-35718274-6,  
 Fax: 042-35762707  
 E-Mail: shares@saigols.com

## KARACHI

Kohinoor Building  
 25-West Wharf Road,  
 Karachi  
 Tel: 021-32200951-4  
 Fax: 021-32310303

## ISLAMABAD

Room # 301, 3rd Floor,  
 Green Trust Tower,  
 Blue Area, Islamabad  
 Tel: 051-2824543, 2828941  
 Fax: 051-2273858

## WORKS

14-K.M. Ferozepur  
 Road, Lahore  
 Tel: 042-35920151-9

## PEL Unit II

34-K.M.  
 Ferozepur Road,  
 Keath Village, Lahore  
 Tel: 042-35935151-2

# Directors' Review

## Dear Share Holders

Your directors are pleased to present the un-audited interim financial information of the Company for the First Quarter ended on March 31, 2022.

## FINANCIAL & OPERATIONAL REVIEW

### Macro –Economic Environment

#### Global Economic Overview

The post-Covid-19 pandemic recovery is being hit by a potentially huge global supply shock that will reduce growth and push up inflation. The war in Ukraine and economic sanctions on Russia have put global energy supplies at risk. Sanctions seem unlikely to be rescinded any time soon. Russia supplies around 10% of the world's energy, including 17% of its natural gas and 12% of its oil. The jump in oil and gas prices will add to industry costs and reduce consumers' real incomes. Outright shortages and energy rationing are possible in Europe if there is an abrupt halt to Russian supply. Higher energy prices are a given. Fitch Ratings has cut its world GDP growth forecast for 2022 by 0.7pp to 3.5%, with the euro zone cut by 1.5pp to 3.0% and the US by 0.2pp to 3.5%. This reflects the drag from higher energy prices and a faster pace of US interest rate hikes than anticipated. The forecast for world growth is lowered in 2023 by 0.2pp to 2.8%.

#### Domestic Economic Landscape

Pakistan's economy maintained the growth momentum of FY21 in the first quarter of FY22. Broad-based expansion in large-scale manufacturing (LSM) and improved kharif crop outcomes reflected the favorable supply side dynamics. The demand side remained buoyant, as the trends in sales of fast-moving consumer goods and cars, import volumes, energy consumption, and consumer financing were all strong. The pick-up in economic activity also contributed to higher tax revenues, with positive implications for the fiscal position. However, in the face of a substantial increase in the global commodity prices, the growth recovery was accompanied by a build-up in inflationary pressures and a widening current account deficit.

SBP, Monetary Policy Committee (MPC) decided to maintain the policy rate at 9.75%, at the back of favorable future projections. At the same time, high-frequency indicators suggest that growth continues to moderate to a more sustainable pace. This moderation may keep at bay demand-side pressures on inflation and contain non-oil imports, notwithstanding the significant uncertainty about the future path of global energy and food prices due to the Russia-Ukraine conflict. During the period local currency further weakened @ 3.98% against US\$. During the period under review, the Pakistan Stock Exchange Ltd (KSE-100 index) registered slightly increased to 44,928 points as of 31 March 2022 compared to 44,596 points as of 31 December 2021.

### Company Performance Overview

During the period under company following year 2021 foots prints remained at growth trajectory. Revenues growth and effective cost controls mitigated margin threats including, weakening Pak rupee, global commodity price pressures and rising inflationary trends.

Summary of operating results is presented below:

Rupees in million	Quarter ended March 31, 2022	Quarter ended March 31, 2021	Increase/ (Decrease)	Percentage %
Sales	16,289	13,470	2,819	20.93
Gross Profit	2,537	2,168	369	17.02
Finance Cost	668	550	118	21.45
Profit before tax	439	401	38	9.48
Profit after tax	312	283	28	9.86
Earnings per share - Rupees	0.61	0.55		

Company maintaining growth momentum of year 2021, during Quarter-1 of year 2022 registered revenues of Rs.16,289 million with 20.93% increase over Rs.13,470 million of previous year. Gross profits with 17.02% increase are Rs.2,537 million. These GP improvements continued to be reflected in net earnings as well, profit after tax with 9.86% increase are Rs.312 million against R.283 Million of previous year period and earnings per share –EPS is Rs.0.61 against Rs.0.55 of last year.

## Appliances Division

During the period under review Products demand curve maintained upward tendency of year 2021, home appliances business revenues with mild increase @ 0.62% registered at Rs.9,940 million against Rs.9,879 million of previous year period. Continues life style improvements, growing urbanization and swift bridging of product penetration gap are major growth drivers.

Company's ongoing R&D process is always determined to launch highly market competitive aesthetically improved, energy saver, and cost effective product designs equipped with latest features.

Highly responsive country wide sales and after sales service network engaged in swift product supply and after sales services is widening company's loyalist customer range. Effective advertisement campaigns & pleasant customer experiences are strengthening "Product Brand Equity". Company with its key capabilities i.e. state of art manufacturing & testing facilities and a team of well-versed professionals is well determined to launch quality products equipped with market competitive latest features.

## Power Division

Following growth foot prints of year 2021, demand of power division products is at growth trajectory due to accelerated electricity consumption at the back of local industry revival, rapid urbanization and expansive use of electrical home appliances. The increased electricity demand necessitates T&D infrastructure augmentation for smooth electricity supply to end consumers.

During the period under review power division revenues with a robust growth @ 76.82% are Rs.6,348 million against Rs.3,590 Million of previous year. Smooth ordering from WAPDA power utilities and timely supply by company is at the back of this revenue hike. After the milestone achievement of sufficient electricity generation, the next priority is augmentation of T&D infrastructure for smooth electricity supply to end consumers.

Demand of electrical equipment i.e. Transformers both power & distribution and switch gears is likely to expand in future with the growing electricity demand. Further latest electricity metering system is necessitated to take care of electricity pilferage leading to circular debt. Incumbent Government is trying its best level to resolve circular debt issues by installation of latest digital energy meters. Keeping in view future demand of these latest energy meters have got approved from NTDC. Your company with a prolonged customer relationship with WAPDA discos is quite confident expand its market share.

## Matter of Significance – Issue of 72% Ordinary Right

Company Board of Directors in their meeting dated February 07, 2022. , approved a 72% ordinary right issue of 358,330,670 (Three hundred fifty eight million three hundred thirty thousand and six hundred seventy only) shares of Rs.10 each at Rs.14 including a premium of Rs.4 per share. The ordinary right shares offered so far, have been fully subscribed. The issue proceeds will be applied towards reduction in company borrowings and growing working capital needs.

## Future Outlook

Global Growth after surging to 5.5 % in 2021, is projected to slow markedly to 4.1% in 2022, reflecting continued COVID-19 flares up, diminished policy support, and lingering supply disruptions. Emerging market and developing economies (EMDEs) are expected to experience notably weaker and more fragile recoveries in output compared to those in advanced economies. The recovery lost momentum in the second half of last year amid resurgences of the COVID-19 pandemic and widespread supply bottlenecks, the latter also contributing to a notable rise in global consumer price inflation. While many advanced economies and EMDEs have fully vaccinated a majority of their populations, at recent vaccination rates, only about a third of the LIC population will have received even one vaccine dose by the end of 2023.

Country GDP growth is projected within the previously announced range of 4-5 % for FY22, in line with the government's target of 4.8 % and higher than last year's provisional growth of 3.9%. Better than-expected agricultural output and growing industrial activity, with positive spillover on services sector, are projected to contribute to the higher growth outcome.

Monetary Policy Statement dated April 07, 2022. announced policy rate at 12.25 with 225 BPS increase, further under pressure local currency, increasing utility tariffs, rising global commodities are future challenges. Government change as a result of successful no confidence move approved by parliament may lead to diluted political turmoil. The incumbent Government has resumed dialogs with International Monetary Fund (IMF) on IMF Extended Fund Facility, success of which may lead to improved certainty level.

A new norm is likely to emerge with the expected political stability and country economy will take a positive direction. CPEC 2nd Phase oriented industrialization is likely to emerge with tangible presence and overall economic activity is likely to flourish due to FDI inflows. With the improved scenario demand of company products is likely to grow and your company is well positioned to expand its market share.

### **Acknowledgement**

We would like to thank our Board of Directors for continuous support and guidance. We are also thankful to our team for their dedicated efforts to make the company operationally sustainable through this challenging era.

We are confident with continued team efforts that we will meet expectation of all stake holders i.e., Shareholders, Creditors and Customers.

On behalf of the Board of Directors

Lahore  
April 29, 2022

**M. Murad Saigol**  
Chief Executive Officer

## ڈائریکٹرز کا جائزہ

ڈائریکٹر ہولڈرز

کمپنی کے نظام بہم سرت سال 2022ء کی پہلی سہ ماہی کے غیر آڈٹ شدہ گوشوارہ جات برائے مدت مختتمہ 31 مارچ 2022ء پیش کرتے ہیں۔

مالیاتی اور پیداواری جائزہ

میکرو معاشی حالات

مالی معاشی جائزہ

COVID-19 میں کمی کے بعد سے ہونے والی معاشی نمو کو عالمی سپلائی چین کے قفل نے متاثر کیا ہے اور افراط زر میں اضافہ ہوا ہے۔ یوکرین کی جنگ کے نتیجے میں روس پر لگنے والی پابندیوں نے توانائی کی عالمی رسد کو خطرات سے دوچار کیا ہے اور ان پابندیوں کے جلدی اٹھائے جانے کا کوئی امکان نہیں ہے۔ روس توانائی کی عالمی طلب کا 10% فیصد مہیا کرتا ہے جس میں 17 فیصد کی قدرتی گیس اور 12 فیصد تیل ہے۔ تیل اور گیس کی قیمتوں میں اضافہ صنعتی پیداواری لاگت میں اضافہ اور صارفین کی آمدنی کو متاثر کر رہا ہے۔ روس کی طرف سے رسد میں مکمل پابندی کی وجہ سے یورپ میں گیس اور تیل کی نمایاں کمی ہو سکتی ہے اور اس کی قیمت میں بھی اضافہ ہو سکتا ہے۔ Fitch Rating نے عالمی GDP نمو 0.7 فیصد سے کم کرتے ہوئے 3.5 فیصد رہنے کی پیش گوئی ہے اسی طرح Euro Zone میں 1.5 فیصد کمی کے ساتھ 3.0 فیصد اور امریکہ میں 0.2 فیصد کمی کے ساتھ 3.5 فیصد رہنے کی توقع ظاہر کی ہے۔ اس توانائی کی قیمتوں میں اضافہ اور شرح سود میں غیر متوقع اضافہ کی وجہ سے سال 2023ء میں عالمی نمو 0.2 فیصد کمی کے ساتھ 2.8 فیصد تک رہنے کی توقع ہے۔

ملکی معاشی جائزہ

پاکستان کی معیشت نے سال 2022ء کی پہلی سہ ماہی میں سال 2021ء میں ہونے والی نمو کو جاری رکھا۔ بڑی صنعتوں کی پیداوار میں اضافہ اور خریف کی فصلوں کی نمایاں پیداوار سے رسد میں اضافہ ہوا ہے اور گزشتہ برس کی فروخت میں اضافہ سے درآمدات میں اضافہ کا رجحان توانائی کے استعمال میں اضافہ اور کنزیومر تنگ میں اضافہ جیسے رجحانات طلب میں اضافہ کا مظہر ہیں۔ عالمی سطح پر پابندی ختم مالم کی قیمتوں میں نمایاں اضافہ سے جاریہ کاؤنٹ کے خسارہ میں اضافہ ہوا ہے۔

اسٹیٹ بینک آف پاکستان نے مستقبل میں مثبت کے معاشی عشراریوں کے پیش نظر 9.75 فیصد کی شرح سود کو برقرار رکھا ہے۔ دوسری طرف معاشی عشراریے اپنے معقولیت کے باعث معاشی استحکام کی طرف لے جائیں گے۔ اس وجہ سے طلب پر دباؤ کا رجحان ہوگا۔ افراط زر میں اضافہ پٹرولیم کے علاوہ درآمدات پر کنٹرول اور روسیوں کو کرانے تازخ کے باعث غیر یقینی صورت حال ہو سکتی ہے۔ دوران جائزہ مدت میں ملکی کرنسی کی قدر میں امریکی ڈالر کے مقابلے میں 3.98 فیصد کمی ہوئی ہے اور KSE 100 Index معمولی اضافہ کے ساتھ 31 مارچ 2022ء کو 31 دسمبر 2021ء کی 44,596 پوائنٹس کے مقابلے میں 44,928 پوائنٹس رہا۔

کمپنی کا کاروباری جائزہ

زیر جائزہ مدت میں کمپنی کے کاروبار میں سال 2021ء کا نمو کا رجحان غالب رہا۔ محصولات اضافہ اور پیداواری لاگت پر منوثر کنٹرول کے نتیجے میں کمپنی نے کمزور پاکستانی کرنسی عالمی سطح پر پیداواری خام مال کی قیمتوں میں اضافہ اور افراط زر جیسے مشکلات کے باوجود اپنے منافع جات کو مستحکم رکھا ہے۔ کمپنی کے کاروباری نتائج کا خلاصہ درج ذیل ہے:

روپے ملین میں	تین ماہ مختتمہ 31 مارچ 2022ء	تین ماہ مختتمہ 31 مارچ 2021ء	اضافہ / (کمی)	فیصد
مجموعی آمدنی	16,289	13,470	2,819	20.93
خام منافع	2,537	2,168	369	17.02
مالی لاگت	668	550	118	21.45
منافع قبل از ٹیکس	439	401	38	9.48
منافع بعد از ٹیکس	312	283	28	9.86
فی حصص آمدنی روپے	0.61	0.55		

کمپنی نے سال 2021ء کی نمو کے تسلسل کو برقرار رکھتے ہوئے سال 2022ء کی پہلی سہ ماہی میں گزشتہ سال اسی عرصہ کے 13,470 ملین روپے کے مقابلے میں 20.93 فیصد کے اضافے کے ساتھ 16,289 ملین روپے کے محصولات حاصل کئے ہیں۔ خام منافع 17.02 فیصد کے اضافے کے ساتھ 2,537 ملین روپے پر باور اس طرح منافع بعد از ٹیکس گزشتہ سال کے 283 ملین روپے کے مقابلے میں 9.86 فیصد اضافے کے ساتھ 312 ملین روپے رہا۔ اور فی حصص آمدنی 0.61 روپے رہی جو کہ گزشتہ سال 0.55 روپے تھی۔

ہوم اپلائنسز ڈویژن

زیر جائزہ مدت میں سال 2021ء کی طلب میں اضافہ کا رجحان برقرار رہا۔ ہوم اپلائنسز ڈویژن کے محصولات 0.62 فیصد اضافہ کے ساتھ گزشتہ سال کے 9,879 ملین روپے کے مقابلے میں 9,940 ملین روپے رہے۔ طرز زندگی میں ہونے والی مسلسل تبدیلیاں، آبادی کا شہری علاقوں کی طرف ارتکاز اور کم ہوتا ہوا Product Penetration Gap اس طلب میں اضافہ کی وجوہات ہیں۔



کمپنی کا جاریہ R & D کا عمل مارکیٹ میں دیدہ زیب توانائی کی بچت اور کم لاگت والی جدید خصوصیات سے مزین ڈیزائنز کی مصنوعات متعارف کرانے کے لئے پرعزم ہے۔ کمپنی کی بھرپور اشتہاری مہم اور معیاری مصنوعات کی فوری دستیابی کے ساتھ فعال سٹور آف فریٹل نیٹ ورک کی بدولت کمپنی کے گاہکوں میں خاصہ اضافہ ہوا ہے۔ کمپنی اپنی بنیادی صلاحیتوں، پیشہ ورانہ ٹیم اور مسلسل تحقیق و عمل کے ساتھ مستقبل میں بھی معیاری مصنوعات متعارف کروانے کے لئے کوشاں ہے۔

## پاورڈویژن

سال 2021ء کے تسلسل کو برقرار رکھنے ہوئے مقامی صنعتوں کی بحالی، شہروں کی طرف بڑھتا ہوا آبادی کا رجحان اور گھریلو برقی آلات کے استعمال میں اضافہ کے باعث بجلی کی کھپت میں اضافہ ہوا ہے جس کی وجہ سے پاورڈویژن کی مصنوعات کی طلب میں مسلسل اضافہ ہو رہا ہے۔ بجلی کی بڑھتی ہوئی طلب کی وجہ سے صارفین تک بجلی کی فراہمی کے لئے بہترین ترسیلی نظام کی ضرورت ہے۔ زیر جائزہ مدت کے دوران پاورڈویژن کے محصولات میں گزشتہ سال کے محصولات 3,590 ملین روپے کے مقابلے میں 76.80 فیصد اضافہ کے ساتھ 6,348 ملین روپے رہے ہیں۔ اس نمونے کے پیچھے واپڈا کی ترسیلی کمپنیوں کی طرف سے ملنے والے آرڈرز اور کمپنی کی طرف سے مصنوعات کی بروقت فراہمی ہے۔ بجلی کے پیداواری سنگ میل عبور کرنے کے بعد اس کے ترسیلی نظام کو بہتر کرنے کی ضرورت ہے۔ مستقبل میں بجلی کی بڑھتی ہوئی طلب کے پیش نظر برقی آلات جیسا کہ پاور اور ڈسٹری بیوشن ٹرانسفارمرز، انرجی میٹرز اور سوئچ گئیر کی طلب میں اضافہ متوقع ہے۔ مزید بجلی کی چوری روکنے کے لئے جدید ٹیکنالوجی سے لیس میٹرنگ سسٹم وقت کی اہم ضرورت ہے اور حکومت اس کے لئے بہتر اقدامات کر رہی ہے۔ مستقبل میں ان انرجی میٹرز کی بڑھتی ہوئی طلب کے پیش نظر کمپنی نے NTDC سے Approval لے لی ہے۔ آپ کی کمپنی واپڈا کی ڈسٹری بیوشن کمپنیوں سے دیرینہ تعلقات کی وجہ سے اپنا مارکیٹ شیئر حاصل کرنے کے لئے پرعزم ہے۔

## 72 نمبر Ordinary Right Shares کے اجراء کا معاملہ

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 7 فروری 2022ء میں 358,330,670 Ordinary Right Shares 72 فیصد بحساب 14 روپے فی شیئر بشمول 4 روپے پرمیئم فی شیئر کی منظوری دی ہے۔ آفر کئے جانے والے شیئر مکمل طور پر subscribed ہو گئے ہیں اس سے حاصل ہونے والی رقم کمپنی کے قرضہ جات کی ادائیگی اور ورکنگ کیپٹل کی ضروریات میں استعمال کی جائے گی۔

## مستقبل کے امکانات

سال 2021ء کی مستحکم نمو 5.5 فیصد کے بعد COVID-19 کے جاریہ پھیلاؤ اور سپلائی چین میں مسلسل تعطل کے باعث سال 2022ء میں نمو 4.1 فیصد کی پیش گوئی کی جا رہی ہے۔ ترقی یافتہ ممالک کے مقابلے میں ترقی پذیر ممالک کی وصولیاں قدرے کم ہونے کی توقع ہے۔ وصولیوں میں کمی کا رجحان گزشتہ سال کی دوسری ششماہی سے چلتا آ رہا ہے جس کی بنیادی وجہ COVID-19 کے اثرات، سپلائی میں تعطل اور عالمی مارکیٹ میں قیمتوں کا بڑھتا ہوا رجحان ہے۔ تاہم ترقی یافتہ اور ترقی پذیر ممالک کی آبادی کے بڑے حصے نے ویکسین کا مکمل مکمل کروالیا ہے۔ امید ہے کہ کم آمدنی والے ممالک میں بھی 2023ء کے آخر تک پہلی ڈوڑلگ جائے گی۔

ملکی معاشی نمو جو کہ سال 2022ء کے لئے 4 سے 5 فیصد تخمینہ کی گئی ہے۔ حکومت گزشتہ سال 3.9 فیصد کے مقابلے میں 4.8 فیصد تک کرنے کی کوشش کر رہی ہے اور یہ اندازہ زرعی شعبہ میں بہتری مقامی صنعتوں کی بحالی اور سروس سیکٹر میں مثبت رجحانات کی بنیاد پر کیا جا رہا ہے۔

7 اپریل 2022ء کی مالیاتی پالیسی میں 255BPS اضافہ کے ساتھ پالیسی ریٹ 12.25 فیصد اعلان کیا گیا ہے۔ اس کے علاوہ مقامی کرنسی کی قدر میں گراؤت، بجلی گیس کے نرخوں میں اضافہ اور عالمی مارکیٹ میں اشیاء کی قیمتوں میں اضافہ جیسی مشکلات درپیش ہیں۔ پارلیمنٹ میں عدم اعتماد کی تحریک کا سیلاب ہونے کے بعد حکومت تبدیل ہوئی ہے اور نئی حکومت IMF کے ساتھ مذاکرات کے ذریعے قرضوں میں اضافہ کی بات کر رہی ہے جس کی کامیابی کی صورت غیر یقینی کی صورت حال بہتر ہونے کی توقع ہے۔

ملک میں متوقع سیاسی بحالی کے بعد ملکی معیشت بہتری کی طرف گامزن ہے۔ CPEC کے تحت ہونے والی صنعتی بحالی اور غیر ملکی سرمایہ کاری کے باعث غیر یقینی کی صورت حال بہتر ہونے کی توقع ہے اور کمپنی میں بننے والی مصنوعات کی طلب میں اضافہ متوقع ہے جس سے کمپنی اپنا مارکیٹ شیئر حاصل کرنے کے لئے پرامید ہے۔

## اٹھارہ تھکر

ہم اپنے بورڈ آف ڈائریکٹرز کی مستقل رہنمائی اور سرپرستی کے لئے ان کے شکر گزار ہیں۔ ہم اپنے تمام ممبران کے شکر گزار ہیں جن کی مخلصانہ کوششوں کے نتیجے میں اس مشکل وقت میں بھی کمپنی معاشی پائیداری کے راستے پر گامزن رہی۔

ہم پرامید ہیں کہ اپنی ٹیم کی جاری کوششوں سے تمام سٹیک ہولڈرز جیسا کہ حصہ داران، فنانسز اور صارفین کی توقعات پر پورا اتریں گے۔

ایم مراد بیگل

چیف ایگزیکٹو آفیسر

29 اپریل 2022

# Condensed Interim Statement Of Financial Position (Un-audited)

AS AT MARCH 31, 2022

	Note	March 31, 2022	December 31, 2021
		Rupees '000'	Rupees '000'
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Capital	5	11,000,000	6,000,000
Issued, subscribed and paid up capital	6	5,426,392	5,426,392
Share deposit money		2,600,363	1,790,000
Reserves		4,279,947	4,279,947
Surplus on revaluation		5,294,275	5,353,956
Unappropriated profit		18,548,160	18,176,520
		36,149,137	35,026,815
<b>NON-CURRENT LIABILITIES</b>			
Redeemable Capital	7	-	1,500,000
Long term financing	8	4,735,495	5,305,591
Lease Liabilities	9	77,022	94,574
Warranty obligations		210,689	270,138
Deferred taxation		2,476,474	2,517,474
Deferred income		31,141	31,535
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,461,803	1,499,775
Unclaimed Dividend		10,785	10,785
Accrued interest/ mark up		555,762	348,163
Short term borrowings	10	12,358,852	10,498,852
Current Portion of Non Current Liabilities		3,938,064	2,709,463
		18,325,266	15,067,038
CONTINGENCIES AND COMMITMENTS	11	-	-
		<b>62,005,225</b>	<b>59,813,165</b>

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

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

	<b>Note</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
		<b>Rupees '000'</b>	<b>Rupees '000'</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	24,105,041	23,828,045
Intangible assets		289,615	290,980
		24,394,656	24,119,025
Long-term investments	13	12,021	13,505
Long-term deposits		585,851	487,964
Long term advances		1,374,854	987,714
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		847,295	870,240
Stock-in-trade		12,190,585	10,464,973
Trade debts		13,890,856	13,966,249
Construction work in progress		752,198	797,701
Short Term Advances		2,685,921	2,795,698
Short term deposits and prepayments		1,237,158	1,324,480
Other receivables		272,314	295,897
Short term investments		31,780	33,382
Advance income tax		3,082,423	3,076,940
Cash and bank balances		647,313	579,397
		35,637,843	34,204,957
		<b>62,005,225</b>	<b>59,813,165</b>

**SYED MANZAR HASSAN**  
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

FOR THE QUARTER ENDED MARCH 31, 2022 (Un-Audited)

		Year ended	
		March 31, 2022	March 31, 2021
	Note	Rupees '000'	Rupees '000'
<b>Gross Sales</b>	14	<b>16,288,787</b>	13,469,727
Sales Tax and discount		<b>(3,628,982)</b>	(3,591,164)
Net Sales		<b>12,659,805</b>	9,878,563
Cost of Sales	15	<b>(10,122,780)</b>	(7,710,218)
<b>Gross Profit</b>		<b>2,537,025</b>	2,168,345
<b>Other Operating Income</b>		<b>6,330</b>	3,951
		<b>2,543,355</b>	2,172,296
Distribution Cost		<b>(870,995)</b>	(724,099)
Administrative Cost		<b>(522,850)</b>	(450,462)
Other Operating Expenses		<b>(40,891)</b>	(44,750)
Finance Cost		<b>(668,438)</b>	(550,236)
Share of profit/(loss) of associate		<b>(878)</b>	(2,054)
<b>Profit/ (loss) Before Taxation</b>		<b>439,303</b>	400,695
Provision for Taxation		<b>(127,344)</b>	(117,229)
<b>Profit/ (loss) after Taxation</b>		<b>311,959</b>	283,466
Earnings per share basic & diluted	16	<b>0.61</b>	0.55

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

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

**SYED MANZAR HASSAN**  
Chief Financial Officer

# Condensed Interim Statement Of Cash Flows

FOR THE QUARTER ENDED MARCH 31, 2022 (Un-Audited)

	March 31, 2022	March 31, 2021
	<i>Rupees '000'</i>	<i>Rupees '000'</i>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	439,303	400,695
Adjustments for non cash items	865,127	727,959
Cash generated from operations before working capital changes	1,304,430	1,128,654
Working capital changes	(1,459,387)	(504,453)
Cash generated from operations	(154,956)	624,201
Finance cost paid	(350,379)	(471,091)
Income tax paid	(173,827)	(122,863)
	(524,206)	(593,954)
Net cash used in operating activities	(679,162)	30,247
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(594,387)	(188,056)
Proceeds from disposal of property, plant and equipment	15,176	11,918
(Increase) / decrease in long-term deposits	(485,027)	(53,289)
Net cash used in investing activities	(1,064,238)	(229,427)
<b>Cash flows from financing activities</b>		
Share deposit money	810,363	-
Long Term Finances obtained	-	1,000,000
Repayment of Long Term Finances	(853,550)	(741,917)
Increase/ (Decrease) in liabilities against finance lease	(5,497)	(31,599)
Dividend paid	-	(4)
Increase / (Decrease) in Short Term Borrowing	1,860,000	(51,568)
Net cash from financing activities	1,811,316	174,912
Net increase/(decrease) in cash and cash equivalents	67,916	(24,268)
Cash and cash equivalents at beginning of the period	579,397	552,278
<b>Cash and cash equivalents at end of the period</b>	<b>647,313</b>	<b>528,010</b>

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

# Condensed Interim Statement Of Changes In Equity

FOR THE QUARTER ENDED MARCH 31, 2022 (Un-Audited)

			Capital reserves	Revenue reserves		
	Share capital	Share Deposit Money	Premium on issue of shares	Unappropriated profit	Surplus on Revaluation	Total
	Rupees '000'	Rupees '000'	Rupees '000'	Rupees '000'	Rupees '000'	Rupees '000'
Balance as at January 01, 2021	5,426,392		4,279,947	16,285,232	5,723,151	31,714,722
Total comprehensive income for the period	-		-	283,466		283,466
Incremental depreciation	-		-	62,822	(62,822)	-
Balance as at March 31, 2021	5,426,392	-	4,279,947	16,631,520	5,660,329	31,998,188
Comprehensive income:						
Profit after taxation	-		-	1,307,610		1,307,610
Other comprehensive (loss)					(68,983)	(68,983)
Revaluation surplus realizes on disposal				56,428	(56,428)	-
Incremental depreciation	-		-	180,962	(180,962)	-
Share deposit money received		1,790,000				1,790,000
Balance as at December 31, 2021	5,426,392	1,790,000	4,279,947	18,176,520	5,353,956	35,026,815
Total comprehensive income for the period.	-		-	311,959		311,959
Incremental depreciation	-		-	59,681	(59,681)	-
Share deposit money received		810,363				810,363
Balance as at March 31, 2022	5,426,392	2,600,363	4,279,947	18,548,160	5,294,275	36,149,137

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

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

**SYED MANZAR HASSAN**  
Chief Financial Officer

# Notes to the Condensed Interim Financial Statements

FOR THE QUARTER ENDED MARCH 31, 2022 (Un-Audited)

## 1 LEGAL STATUS AND OPERATIONS

Pak Elektron Limited ("PEL" or "the Company") was incorporated in Pakistan on March 03, 1956 as a public limited company under the Companies Act, 1913 (replaced by the Companies Ordinance, 1984). Registered office of the Company is situated at 17 - Aziz Avenue, Canal Bank, Gulberg - V, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of electrical capital goods and domestic appliances.

The Company is currently organized into the following operating divisions:

Power Division: manufacturing and distribution of transformers, switchgears, energy meters, power transformers, construction of grid stations and electrification works.

Appliances Division: manufacturing, assembling and distribution of Refrigerators, Air Conditioners, Deep Freezers, Microwave Ovens, Washing Machines, Water Dispensors, LED Televisions and other domestic appliances.

## 2 SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

The board of directors of the company in its meeting held on 07 February 2022 has approved issue of 358,330,670 right ordinary shares at a price of Rs. 14 per share including premium of Rs. 4 per share.

## 3 BASIS OF PREPARATION

These interim financial statements are un audited and have been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the company for the year ended December 31, 2021.

The comparative interim balance sheet as at December 31, 2021 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account/statement of comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for three months ended March 31, 2021 are based on unaudited interim financial information.

### 3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

International Accounting Standard 34- Interim Financial Reporting, issued by International Accounting Standards Board (IASB) as notified under the companies Act, 2017 and

Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directive issued under the companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the companies Act, 2017 have been followed.

### 3.2 Basis of measurement

This condensed interim consolidated financial information has been prepared under the historical cost convention except for property, plant and equipment at revalued amounts and certain financial instruments at fair value/amortized cost. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

### 3.3 Judgements , estimates and assumptions

The preparation of interim financial statements requires managements to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believe to be reasonable under the circumstances , the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimated are recognised in the period in which the estimated is revised and in any future periods affected.

### 3.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

## 4 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and the methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the company for the year ended December 31, 2021.

## 5 AUTHORIZED CAPITAL

March 31, 2022	December 31, 2021		Un-audited March 31, 2022	Audited December 31, 2021
No. of Shares	No. of Shares		Rupees '000'	Rupees '000'
1,000,000,000	500,000,000	Ordinary shares of Rs. 10 each	10,000,000	5,000,000
		Preference shares of Rs. 10 each:		
62,500,000	62,500,000	Class A preference shares of Rs 10 each	625,000	625,000
37,500,000	37,500,000	Class B preference shares of Rs 10 each	375,000	375,000
100,000,000	100,000,000		1,000,000	1,000,000
1,100,000,000	600,000,000		11,000,000	6,000,000



**6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

			Un-audited	Audited
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
No. of shares	No. of shares		Rupees '000'	Rupees '000'
		<b>Ordinary shares of Rs. 10 each fully paid</b>		
372,751,051	372,751,051	In cash	3,727,511	3,727,511
137,500	137,500	Other than cash:		
		-against machinery	1,375	1,375
408,273	408,273	-issued on acquisition of PEL Appliances Limited	4,083	4,083
6,040,820	6,040,820	-issued against conversion of preference shares	60,408	60,408
118,343,841	118,343,841	-as bonus shares	1,183,439	1,183,439
497,681,485	497,681,485		4,976,816	4,976,816
		<b>Fully paid A class preference shares of Rs. 10 each</b>		
44,957,592	44,957,592	In cash	449,576	449,576
542,639,077	542,639,077		5,426,392	5,426,392

**7 REDEEMABLE CAPITAL**

At beginning of the year	1,500,000	-
Issued during the period	-	1,500,000
Paid during the period	-	-
Current portion	1,500,000	-
At end of the year	-	1,500,000

**8 LONG-TERM FINANCING - SECURED**

As at beginning of the period	7,871,102	7,638,638
Obtained during the period	-	2,112,500
Paid / settled during the period	853,550	1,880,036
Current portion	2,282,057	2,565,511
	4,735,495	5,305,591

**9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

Present value of minimum lease payments	233,029	238,526
Current maturity	156,007	143,952
	77,022	94,574

**10 SHORT TERM BORROWINGS**

These facilities have been obtained from various banks under mark-up arrangements for working capital requirements. These facilities are secured against the pledge/hypothecation of raw material and components, work-in-process, finished goods, machinery, spare parts, charge over book debts, shares of public companies and other assets of the company.

**11 CONTINGENCIES AND COMMITMENTS**

There is no material changes in contingencies and commitments as disclosed in the notes to the financial statements for the year ended December 31, 2021.

		<b>Un-audited March 31, 2022</b>	<b>Audited December 31, 2021</b>
	<b>Note</b>	<b>Rupees '000'</b>	<b>Rupees '000'</b>
<b>12 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	12.1	23,159,962	23,184,452
Capital work-in-progress		945,079	643,593
		<b>24,105,041</b>	<b>23,828,045</b>
<b>12.1 Operating assets</b>			
Written down value at beginning of the period / year		23,184,452	21,553,527
Additions during the period / year	12.1.1	292,900	3,032,919
		<b>23,477,352</b>	<b>24,586,446</b>
Written down value of the assets disposed off / adjustments		(10,638)	(301,786)
Depreciation charged during the period / year		(291,573)	(1,189,913)
Rental Properties		(15,179)	(89,705)
		<b>23,159,962</b>	<b>23,184,452</b>
<b>12.1.1 Additions during the period / year</b>			
Building		-	1,470,133
Plant and machinery		256,850	1,424,054
Office equipment and furniture		15,150	19,139
Computer hardware and allied items		15,350	47,147
Vehicles		5,550	72,446
		<b>292,900</b>	<b>3,032,919</b>
<b>13 LONG-TERM INVESTMENTS</b>			
Kohinoor Power Company Limited 2,910,600 shares (December 31, 2021: 2,910,600 shares) of Rs. 10 each- Relationship: Associate Ownership interest 23.10 %	13.1	12,021	13,505
		<b>12,021</b>	<b>13,505</b>

	Un-audited March 31, 2022 Rupees '000'	Audited December 31, 2021 Rupees '000'
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### 13.1 Investment in associate at cost - Quoted

Cost of investment	54,701	54,701
Share of post acquisition losses	(14,775)	(14,775)
	39,926	39,926
Accumulated impairment	(27,905)	(26,421)
	12,021	13,505

	Un-audited Three Months Ended March 31, 2022 Rupees '000'	March 31, 2021 Rupees '000'
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## 14 REVENUE

Contract revenue	255,579	65,737
Sales - local	15,958,762	13,343,005
Sales - export	74,446	60,985
	16,288,787	13,469,727
Less: - sales tax and excise duty	2,337,324	1,956,975
- trade discounts	1,291,658	1,634,189
	3,628,982	3,591,164
	12,659,805	9,878,563

		Un-audited Three Months Ended	
		March 31, 2022	March 31, 2021
		Rupees '000'	Rupees '000'
<b>15</b>	<b>COST OF SALES</b>		
	Raw material consumed	9,300,357	7,382,485
	Direct wages	262,573	223,240
	Factory overhead	710,651	614,557
	Raw material, wages and FOH	10,273,581	8,220,282
	Work-in-process		
	-at beginning of period	2,027,690	1,046,705
	-at end of period	(2,004,479)	(1,317,778)
		23,211	(271,073)
	Cost of goods manufactured	10,296,792	7,949,209
	Finished goods		
	-at beginning of period	2,750,009	1,529,403
	-at end of period	(3,154,860)	(1,827,768)
		(404,851)	(298,365)
		9,891,941	7,650,844
	Contract cost	230,839	59,374
	Cost of sales	10,122,780	7,710,218
<b>16</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	The calculation of basic and diluted profit per ordinary share is based on the following data:		
	Profits for the period	311,959	283,466
	Less: dividend payable on preference shares	10,677	10,677
	Profit attributable to ordinary shares	301,282	272,789
	<b>Number of shares</b>	<b>(Number)</b>	
	Weighted average number of ordinary shares for the purpose of basic profit	497,681,485	497,681,485
	Basic and diluted profit per share have been calculated through dividing profit as stated above by weighted average number of ordinary shares.		
	<b>Basic earnings per share (Rupees)</b>	<b>0.61</b>	<b>0.55</b>

## 17 TRANSACTIONS WITH RELATED PARTIES

Related parties from the company's perspective comprise associated companies, post employment benefit plans and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits only. The company in the normal course of business carries out various transactions with other related parties and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction.

Details of transactions and balances with related parties is as follows:

		Un-audited March 31, 2022	Un-audited March 31, 2021
		Rupees '000'	Rupees '000'
Relationship	Nature of transaction		
Provident Fund Trust	Contribution for the period	22,618	20,023
Associated company	Services acquired	9,004	10,218
Key Management Personnel	Short-term employee benefits	13,707	12,793
	Post employment benefits	582	488
Sponsors	Share deposit money received	759,817	-

17.1 All transactions with related parties have been carried out on commercial terms and conditions.

## 18 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on April 29, 2022.

## 19 GENERAL

19.1 Figures have been rounded off to the nearest thousands.

19.2 Comparative figures have been rearranged and reclassified, where necessary for the purpose of comparison. However there were no significant reclassification during the year.

## 20 OTHERS

There are no other significant activities since December 31, 2021 affecting this condensed interim financial information.

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

**SYED MANZAR HASSAN**  
Chief Financial Officer

## Notes

**WWW.PEL.COM.PK**

**PAK ELEKTRON LIMITED**

**17-Aziz Avenue, Canal Bank,  
Gulberg-V, Lahore**

**Ph: (042) 35718274-5, 35717364-5**