



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 waving 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 nine months ended September 30, 2022**



# Contents

|  |   |
|--|---|
| 02   | Corporate Information                               |
| 03   | Directors' Review                                   |
| <b>CONDENSED INTERIM FINANCIAL INFORMATION</b> |   |
| 10   | Condensed Interim Statement of Financial Position   |
| 12   | Condensed Interim Statement of Profit or Loss       |
| 13   | Condensed Interim Statement of Changes in Equity    |
| 14   | Condensed Interim Statements of Cash Flows          |
| 15   | Notes to the Condensed Interim Financial Statements |

# Corporate Information

## BOARD OF DIRECTORS

Mr. M. Naseem Saigol  
Mr. Muhammad Murad Saigol  
Mr. Muhammad Zeid Yousuf Saigol  
Syed Manzar Hassan  
Mr. Anjum Nisar  
Syed Haroon Rashid  
Mr. Muhammad Kamran Saleem  
Ms. Azra Shoaib

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

## AUDIT COMMITTEE

|                        |                 |
|------------------------|-----------------|
| Syed Haroon Rashid     | Chairman/Member |
| Syed Manzar Hassan     | Member          |
| Muhammad Kamran Saleem | Member          |

## HR & REMUNERATION COMMITTEE

|                        |                 |
|------------------------|-----------------|
| Syed Haroon Rashid     | Chairman/Member |
| Syed Manzar Hassan     | Member          |
| Muhammad Kamran Saleem | 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

The Directors of Pak Elektron Limited (the "Company") are pleased to submit Company's un-audited condensed interim financial statements, for the nine month period ended on September 30, 2022.

## FINANCIAL & OPERATIONAL REVIEW

### Macroeconomic-Economic Environment

#### Global Economic Horizon

The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine and the lingering COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine and the possibility of further pandemic-related supply-side disruptions, for example, in China.

Global growth is being forecasted to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. It reflects significant slowdowns for the largest economies; a US GDP contraction in the first half of 2022, a euro area contraction in the second half of 2022, prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. About a one-third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging market and developing economies.

#### Domestic Economic Landscape

The country's external account troubles continue to negatively impact the domestic economy. The situation was further exacerbated by the recent flooding which has caused significant damage to the lives and livelihood of a substantial segment of the population. Country massively hit in 72 out of 160 districts by current floods as result of global warming and related environmental changes. This human tragedy ended at de-sheltering 33 Million people, 1,200 human casualties, 720,000 livestock death toll, swap away of 3,500km road infrastructure, 150 bridges and also ruined electricity infrastructure. There is a lot rehabilitation work to be done to care of affected people. Steps taken by global community to support flood victims are commendable. The Asian Development Bank (ADB) has approved \$1.5 billion financing for social protection, food security and employment of flood victims.

The country's Current Account recorded a deficit of USD 1.9 billion for 2M FY'23, a decline 19% over the corresponding period of last year. Balance of trade recorded a deficit of USD 9.2 billion for Q1 FY'23 versus a deficit of USD 11.7 billion last year. Exports were recorded at USD 7.1 billion for Q1FY'23, recording a meager growth of 1.8% while imports were recorded at USD 16.3 billion, a decline of 12.7% year on year. Home remittances stood at USD 7.7 billion for 3M FY'23, down 6% year on year. The domestic FX markets remained volatile for much of the year as the PKR declined by 22% in value since Dec'21 and stood at Rs. 217.9 as at October 12, 2022. Country's FX reserves stood at USD 13.6 billion at Sep'22, declining by 43% since Dec'21 while reserves held by the State Bank of Pakistan stood at USD 7.9 billion at Sep'22, declining by 55% since Dec'21.

As the country struggled to secure external financing for FY'23, Moody's downgraded the Government of Pakistan's local and foreign currency issuer and senior unsecured debt ratings to Caa1 from B3 with outlook to remain negative on October 6, 2022.

Inflation levels continue to remain at historic high levels as CPI was measured at 23.2% for Sep'22 as against 9.0% in Sep'21. Elevated domestic energy prices as well as rising food inflation will continue to slowdown economic activity and impact GDP growth in the near term. The SBP in its recent monetary policy meeting held on October 10, 2022, maintained the benchmark interest rate at 15.0%.

The KSE-100 index also remained impacted by the current economic environment and closed at 41,129 points as at Sep'22, declining by 8% since Dec'21.

# Directors' Review

## Industry Overview

Year 2022 is a balancing year after a year 2021 with a backlog of year 2020 i.e. COVID Year. Pakistan Bureau of Statistics reports LSMI output increase @ 11.7% in fiscal year 2021-22 reported a meager decline @ 0.4% Jul ~ Aug 2022. Electrical home appliances demand adjusted showing mixed trends despite of challenging economic environment. During the eight months (Jan21 ~ Aug21) YOY production of Refrigerators, Air Conditioners subdued by 19.53% and 32.46% respectively. However Deep Freezers & LED TVs production reflected an upward tendency by 73.92% and 9.39% respectively. Stimulating economic activities and population growth necessitated increased electricity consumption. To cater the enhanced electricity T&D volumes a robust demand of electrical & metering equipment is seen. YOY Production quantitative increase of Transformers, Energy Meter and Switch Gears are 57.66%, 42.73% and 64.42% respectively.

## Company Financial Performance

Company revenues with history high level are Rs. 54,180 Million, against Rs.42,208 Million with 28.36% increase over corresponding period of last year. Despite of imported material costs shoot up due to global commodity price hike and weaker local currency translations, company's gross profit stands at Rs. 8,413 Million with 22.55% increase over Rs.6,865 Million of previous year same period. Profit after taxation with 9.02 % increase over previous year period is Rs.1,499 Million. Earnings per share is Rs. 1.98 against Rs.2.51 of the last year corresponding period. Products demand surge is due to direly needed electricity T&D infrastructure augmentation and metering systems up-gradations. Profitability Improvements are due to incremental revenues leading to effective cost absorption.

### Summary of operating results is presented below:

| Rupees in million           | Nine months ended<br>September 30, 2022 | Nine months ended<br>September 30, 2021 | Increase/<br>(Decrease) | Percentage<br>% |
|-----------------------------|---|---|-------------------------|-----------------|
| Revenue                     | 54,180                                  | 42,208                                  | 11,972                  | 28.36           |
| Gross Profit                | 8,413                                   | 6,865                                   | 1,548                   | 22.55           |
| Finance Cost                | 2,257                                   | 1,604                                   | 653                     | 40.71           |
| Profit before taxation      | 2,190                                   | 1,857                                   | 333                     | 17.93           |
| Profit after taxation       | 1,499                                   | 1,375                                   | 124                     | 9.02            |
| Earnings Per Share (Rupees) | 1.98                                    | 2.51                                    |                         |                 |

## Appliances Division

Home Appliances Division (AD) with a market competitive product range is major revenue generating segment with 54.36 % contribution to company revenues. Despite of "Overall Economic Slow", AD business showing resilience managed an YOY revenue increase 3.96% due to its efficient countrywide sales & distribution network and customer centric policies. During the period under review home appliances division revenues registered at Rs.29,452 Million against Rs.28,331 Million of pervious year period. Likewise other industries with imported inputs, products input costs increased due to global commodity prices hike and weaker local currency translations.

An unmatched customer "ROX- Return on Experience" is the prime objective of the company and ongoing R&D function is there to achieve this objective by launching attractive & esthetically improved and low energy consuming, cost effective product designs. During the period under review for improved food preservation level and prolonged freshness, company added "Ion Generators" in different refrigerator models. Company also expects an overwhelming market response towards "WIFI Controlled ACs" launched in during the period.

Company being equipped with its outclass core capabilities i.e. State of art manufacturing & testing facilities, highly responsive country wide sales & after sales services network, ongoing product R&D function and a team of well-versed professionals is greatly confident to maintain its stature as "Key Market Player".

## Power Division

Government is proactively pursuing direly needed Power Division "Structural Reforms". Changing global community mood after country quit from "FATF Grey List" will support an easy access to borrowing to finance the desired reforms. Vigorously growing circular debt in Power Division is emerging as a threat rather than a challenge

and needs to be taken care of on war-footing basis. Soaring Circular Debt is a result of electricity T&D infrastructure technical losses, electricity pilferage and billing recovery shortfalls. T&D infrastructure augmentation and temper free metering system to control electricity pilferage and support efficient billing collections are the right solutions to this issue. Concrete steps have been taken by Power Division for T&D infrastructure augmentation and setting up smart metering infrastructures. Hefty investment have been made on new transmission lines, Installation of new grid stations and up-gradation of existing system and setting up of AMI - Automatic Metering Infrastructure.

During the period under review power division business revenues registered at Rs. 24,727 million with 78.19% increase over Rs.13,877 million of previous year similar period. The revenue increase is backed by robust product demand of electrical equipment at WAPDA Distribution Companies and shift of private sector demand from “incremental to substantial”. Company's “Bi-Directional Energy Meters” launched during the period well received by consumers due to its solar energy compatibility. Company has supplied 2,000 Nos. AMR - Automatic Reading Meters to Gujranwala Electric Power Company against an educational order, this may be a breakthrough for its commercial supplies to GEPCO and other WAPDA power utilities. Power Division is planning installation of AMI meters on all transformers in high loss feeders and Installation of AMI system on all industrial and commercial connections, bulk consumers and one point supply consumers and this will lead to an incremental product demand and an increase in company's revenues & profitability.

With healthy order book, Company is quite confident to achieve its annual plans. Further manufacturing capacities of all power division products are greatly sufficient to meet growing demand.

Company since its inception is engaged in manufacturing and sales of “Electrical Equipment” and have developed an outstanding set of capabilities including an out class team of professionals, state of art manufacturing & testing facilities and a prolonged “Customers Relationship” history with WAPDA utility companies. Having this great set of capabilities, company is quite confident to further escalate its stature as “Key Market Player”.

### Company Matters of Significance

- **72% Right Issue at 40% Premium**

Company during the period after due regulatory approvals issued 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 issue proceeds have greatly supported towards reduction in company borrowings and growing working capital needs.

- **Best Corporate Reports**

During the period company received Best Corporate Report Award securing 3rd position in “Engineering & Auto Sector” awarded by the Joint Committee of ICAP and ICMAP for the Annual Report for the year 2021.

- **Election of Directors**

Seven of company Directors after completing their tenure retired and company shareholders in Extra Ordinary General Meeting (EOGM) dated Oct 21, 2022 elected following directors:

1. Mr. M Naseem Saigol
2. Mr. Muhammad Murad Saigol
3. Mr. Muhammad Zeid Yousaf Saigol
4. Syed Manzar Hassan
5. Mr. Anjum Nisar ( In place of outgoing Mr. Asad Ullah Khawaja NIT nominee)
6. Syed Haroon Rashid – Independent
7. Mr. Muhammad Kamran Saleem – Independent.

## Future Outlook

Country economy has shown strong resilience despite of highly challenging economic environment, however pressure on Pak Rupee is at down slide due to macroeconomic adjustment measures, specifically fiscal consolidation to complement the ongoing monetary tightening. Uncertainty is likely to dilute due to stable local currency and will lead to overall economic revival. After successful 8th and 9th review by IMF news are encouraging as global lender's confidence in country economy is growing. Recently after a four years span Pakistan is out of FATF "Grey List" as a result of enforcement of advised measures. It will have a positive impact over country imports, exports, foreign remittances and ease out its access over international loans. Further in current scenario "Investor's Confidence" both foreign and local is likely to be restored. Further, improving economy perception with respect to its debt sustainability, is going to facilitate financial support from friendly countries and rollover of existing country foreign debts.

UNO, ADB, World Bank and friendly countries have announced their pledges for flood victims and infrastructure rehabilitation. As water is drained out from flood effected area, the revival activity is likely to be geared up and your company will be a front line partner to the government for electricity T&D Infrastructure rehabilitation by supplying quality electrical equipment.

The incumbent government is again gearing up activity on CPEC projects with an accelerated pace. First phase of CPEC i.e. development of Gwadar Port, electricity generation projects and development of road infrastructure is almost operational. And its second phase i.e. Development of Special Economic Zones-SEZs, Up-gradation & Doubling of Main Line (ML)-1 from Karachi to Peshawar is likely to have quick start soon. The development of CPEC SEZs may lead to an "Industrial Revolution" and also can generate a robust demand of electrical equipment and ML-1 project will ensure swift and low cost transportation solution, especially for imported inputs from Karachi to rests of locations across the country. Company is well positioned to take advantage of both opportunities.

Under the current economic conditions, the Company's EPC Department is consolidating its business and concentrating on projects with better margins and least funds deployment for the proven products we have performed in the past. Your directors are optimistic that with these future expected developments, the Company will certainly take advantage of it by supplying quality products.

## Acknowledgement

We are grateful to company board of directors for their continued support and guidance. We are thankful to our team members for tireless efforts & dedication and also to creditors, distributors and vendors for their support in these challenging times. We also take the opportunity to express our gratitude to the outgoing Director Mr. Asad Ullah Khawaja for his valued input on Company's matters.

On behalf of the Board of Directors

Lahore  
October 27, 2022

**M. Murad Saigol**  
Chief Executive Officer



## ڈائریکٹر کا جائزہ

پاک الیکٹرون لیمیٹڈ "کمپنی" کے ڈائریکٹر بمسرت نوماہ کی مالیاتی رپورٹ بمعہ غیر آڈٹ شدہ گوشوارہ جات برائے مدت ختمہ 30 ستمبر 2022ء پیش کر رہے ہیں۔

مالیاتی اور پیداواری جائزہ

میکرو معاشی حالات

عالمی معاشی جائزہ

عالمی معیشت کوئی چیلنجر کا سامنا ہے۔ کئی دہائیوں سے بڑھتا ہوا افراط زر مختلف رجحانوں میں مشکل معاشی حالات، روس کا یوکرائن پر حملہ اور COVID-19 وبائی مرض کے اثرات نمایاں نظر آ رہے ہیں۔ عالمی وبا کے عرصہ کے دوران جاری کردہ مالی اور معاشی پالیسیوں نے طلب کو کم کرنے میں بھرپور مدد دی ہے جس کا مقصد افراط زر کو کنٹرول کرنا تھا۔ لیکن اس سے معاشی ترقی سست ہوئی ہے۔ مستقبل میں عالمی معیشت کی بحالی کے لئے معاشی پالیسیوں کے موثر ہونے کا انحصار یوکرائن جنگ اور سپلائی سائیز مثلاً چین سے رکاوٹوں کے ختم ہونے پر ہے۔

عالمی شرح نمو سال 2021ء کے 6 فیصد کے مقابلے میں سال 2022ء میں 3.2 فیصد اور سال 2023ء میں 2.7 فیصد رہنے کی پیشن گوئی کی گئی ہے۔ یہ عالمی مالیاتی بحران اور وبائی امراض کے شدید مرحلے کے علاوہ 2001ء کے بعد کمزور ترین شرح نمو ہے۔ بڑی معیشتیں بھی سست روی کا شکار ہیں۔ امریکہ کے GDP میں سال 2022ء کی پہلی ششماہی کی طرح دوسری ششماہی میں بھی کمی ہوئی ہے۔ COVID-19 کے باعث ہونے والے لاک ڈاؤن کی وجہ سے چین میں پراپٹی سکٹر بحران کا شکار ہے۔ دنیا کی ایک تہائی معیشت کو مسلسل دوسرہ ماہ سے منفی ترقی کا سامنا ہے عالمی افراط زر 2021ء میں 4.7 فیصد سے 2022ء میں 8.8 فیصد تک بڑھنے لگیا۔ 2023ء میں 6.5 فیصد اور 2024ء میں 4.1 فیصد تک کم ہونے کی پیشن گوئی کی گئی ہے۔ ابھرتی اور ترقی پذیر معیشتوں میں ردو بدل سے بڑی معیشتوں کے درمیان افراط زر میں حیران کن اضافہ ہو رہا ہے۔

ملکی معاشی جائزہ

ملکی بیرونی کھاتوں میں مشکلات کے باعث ملکی معیشت پر منفی اثرات مرتب ہو رہے ہیں۔ حالیہ سیلاب کے نتیجے میں ہونے والے جانی اور مالی نقصان کی وجہ سے صورتحال مزید بگڑ رہی ہے۔ گلوبل وارمنگ اور ماحولیاتی تبدیلیوں کی وجہ سے سیلاب نے ملک کے 160 اضلاع میں سے 72 کو شدید نقصان پہنچایا ہے جس میں 33 ملین لوگ بے گھر، 1200 انسان اور 720,000 مویشی ہلاک، 3,500 کلومیٹر سڑکیں اور 150 تہاہ اور بجلی کے بنیادی ڈھانچے کو کافی نقصان پہنچا ہے۔ متاثرین کی بحالی کے لئے بہت کام ہونے والا ہے۔ عالمی برادری کی طرف سے متاثرین کی بحالی کے لئے اٹھائے گئے اقدام قابل تعریف ہیں۔ ایشیائی ترقیاتی بنک (ADB) نے سیلاب متاثرین کی بحالی، خوراک اور روزگار کے لئے 1.5 بلین ڈالر کی امدادی منظوری دی ہے۔

ملکی کرنٹ اکاؤنٹ خسارہ سال 2023ء کے پہلے 2 ماہ میں 1.9 بلین امریکی ڈالر ریکارڈ کیا گیا ہے جو کہ گزشتہ سال اسی عرصہ سے 19 فیصد کم ہے۔ تجارتی توازن کا خسارہ سال 2023ء کی پہلی سہ ماہی میں 9.2 بلین امریکی ڈالر ریکارڈ کیا گیا ہے جو کہ گزشتہ سال 11.7 بلین امریکی ڈالر تھا۔ برآمدات سال 2023ء کی پہلی سہ ماہی میں 7.1 بلین امریکی ڈالر ہیں جو کہ گزشتہ سال سے 1.8 فیصد زیادہ ہیں جبکہ درآمدات 16.3 بلین امریکی ڈالر ہیں جو کہ پچھلے سال سے 12.7 فیصد کم ہیں۔ بیرونی ترسیلات سال 2023ء میں گزشتہ سال سے 6 فیصد کم کے ساتھ 7.7 بلین امریکی ڈالر ہیں۔ ملکی شناک مارکیٹ اتار چڑھاؤ کا شکار رہی۔ دسمبر 2021ء تک روپے کی قدر میں 22 فیصد کمی ہوئی اور 12 اکتوبر 2022ء کو روپے کی قیمت ایک امریکی ڈالر کے مقابلے میں 217 روپے رہی۔ ملکی زرمبادلہ کے ذخائر ستمبر 2022ء میں 13.6 بلین امریکی ڈالر تھے جو کہ دسمبر 2021ء کے مقابلے میں 43 فیصد کم ہیں جبکہ اسٹیٹ بینک آف پاکستان کے پاس زرمبادلہ کے ذخائر ستمبر 2022ء کو دسمبر 2021ء کے مقابلے میں 55 فیصد کم کے ساتھ 7.9 بلین امریکی ڈالر رہے۔

چونکہ ملک سال 2023ء کے لئے بیرونی قرضہ جات حاصل کرنے کی کوشش میں ہے جس کی وجہ سے Moody's نے 16 اکتوبر 2022ء کو قرضہ واپس کرنے کی استعداد کم ہونے کے باعث پاکستان کو غیر محفوظ قرضوں کی درجہ بندی B3 کیلنگری سے Caa1 کیلنگری میں شامل کر دیا ہے۔

افراط زر کی شرح مسلسل تاریخ کی بلند ترین سطح پر ہے جو کہ CPI کے مطابق ستمبر 2022ء کو ستمبر 2021ء کے 9 فیصد کے مقابلے میں 23.2 فیصد رہی۔ بڑھتی ہوئی توانائی اور اشیائے خورد و نوش کی قیمتوں کے باعث معاشی سرگرمیوں میں کمی آئی جس نے GDP کو متاثر کیا۔ اسٹیٹ بینک آف پاکستان نے حالیہ زری پالیسی کے اجلاس منعقدہ 10 اکتوبر 2022ء کو 15 فیصد شرح سود کو برقرار رکھا ہے۔

IKSE-100 انڈیکس بھی موجودہ صورتحال سے متاثر ہوا اور شناک مارکیٹ ستمبر 2022ء کو 129,41 پوائنٹس پر دسمبر 2021ء کے مقابلے میں 8 فیصد کم پر بند ہوئی۔

صنعتی جائزہ

سال 2020ء COVID کے بعد سال 2021ء کی طرح سال 2022ء کے بھی قدرے متوازن رہا۔ پاکستان ادارہ برائے شماریات کے مطابق سال 2021-22ء میں بڑی صنعتوں کی پیداوار میں 11.7 فیصد کا اضافہ ہوا جبکہ جولائی-اگست 2022ء میں معمولی 0.4 فیصد کمی آئی ہے۔ موجودہ معاشی حالات کے باعث گھریلو برقی آلات کی طلب میں مالا جلا رجحان رہا۔ آٹھ ماہ کے دوران (جنوری 22-اگست 22) ریفریجریز اور ایئر کنڈیشنرز کی پیداوار میں بالترتیب 19.53 فیصد اور 32.46 فیصد کمی آئی ہے جبکہ ڈیپ فریجز اور LED TVs کی پیداوار میں بالترتیب 73.92 فیصد اور 9.39 فیصد اضافہ ہوا ہے۔ معاشی سرگرمیوں اور بڑھتی ہوئی آبادی کی ضروریات کے پیش نظر بجلی کی کھپت میں اضافہ ہوا ہے۔ بجلی کے ترسیلی نظام میں بہتری کے لئے بجلی اور میٹرنگ کے آلات کی طلب میں اضافہ نظر آ رہا ہے۔ ٹرانسفاورمر، انرجی میٹراور سچے گئیر کی پیداوار میں بالترتیب 57.66 فیصد، 42.73 فیصد اور 64.42 فیصد اضافہ ہوا ہے۔

کمپنی کی مالی کارکردگی

زیر جائزہ مدت میں کمپنی کے محصولات تاریخ کی بلند ترین سطح 54,180 ملین روپے رہے۔ جو کہ گزشتہ سال اسی عرصہ کے 42,208 ملین روپے کے مقابلے میں 28.36 فیصد زیادہ ہیں۔ عالمی مارکیٹ

## ڈائریکٹرز کا جائزہ

میں خام مال کی بڑھتی ہوئی قیمتوں اور کمزور ملکی کرنسی کے باوجود کمپنی کا خام منافع 8,413 ملین روپے رہا جو گزشتہ سال کے اسی عرصہ کے 6,865 ملین روپے سے 22.55 فیصد زیادہ ہے۔ منافع بعد از ٹیکس 9.02 فیصد اضافے کے ساتھ 1,499 ملین روپے رہا۔ فی حصص آمدنی گزشتہ سال کے اسی عرصہ کے 2.51 روپے کے مقابلے میں 1.98 روپے رہی۔ مصنوعات کی طلب میں اضافے کی وجہ سے بجلی کی ترسیلی نظام میں بہتری اور میٹرنگ سسٹم کی اپ گریڈیشن ہے۔ محصولاتی اضافہ اور پیداواری لاگت پر موثر کنٹرول کے باعث کمپنی نے منافع جات کو مستحکم رکھا ہوا ہے۔

کمپنی کے نتائج کا خلاصہ درج ذیل ہے:

### کمپنی کے نتائج کا خلاصہ

| روپیہ ملین میں    | نومہ ختمہ 30 ستمبر 2022ء | نومہ ختمہ 30 ستمبر 2021ء | اضافہ / (کمی) | فیصد  |
|-------------------|--------------------------|--------------------------|---------------|-------|
| مجموعی آمدنی      | 54,180                   | 42,208                   | 11,972        | 28.36 |
| خام منافع         | 8,413                    | 6,865                    | 1,548         | 22.55 |
| مالی لاگت         | 2,257                    | 1,604                    | 653           | 40.71 |
| منافع قبل از ٹیکس | 2,190                    | 1,857                    | 333           | 17.93 |
| منافع بعد از ٹیکس | 1,499                    | 1,375                    | 124           | 9.02  |
| فی حصص آمدنی روپے | 1.98                     | 2.51                     |               |       |

### اپلائمنٹس ڈویژن

ہوم اپلائمنٹس ڈویژن مارکیٹ میں مسابقتی مصنوعات کی رینج کے باعث کمپنی کے کل محصولات 54.36 فیصد کی حصہ دار ہے۔ مجموعی طور پر معاشی سست روی کے باوجود ملک گیر سیل، ڈسٹری بیوشن نیٹ ورک اور فعال بعد از سیل سروس کی وجہ سے گزشتہ سال کے اسی عرصہ سے 3.96 فیصد اضافے سے آمدنی حاصل کی ہے۔ زیر جائزہ مدت کے دوران ہوم اپلائمنٹس ڈویژن نے گزشتہ سال اسی عرصہ کے 28,331 ملین روپے کے مقابلے میں 29,452 ملین روپے کے محصولات حاصل کئے۔ دوسری مصنوعات کی طرح عالمی مارکیٹ میں خام مال کی قیمتوں میں اضافہ اور کمزور ملکی کرنسی کے باعث مصنوعات کی لاگت میں اضافہ ہوا ہے۔ تاہم پیداواری حجم میں اضافہ اور مقامی مارکیٹ میں مسابقتی قیمتوں کے باعث منافع کا مارجن برقرار ہے۔

صارف کا بہترین Rox-Return of Experience کمپنی کے بنیادی مقاصد میں سے ہے اور اس کے حصول کے لئے کمپنی کا جاریہ تحقیقی عمل پر کشش دیدہ زیب اور کم لاگت والے ڈیزائنز کی تخلیق کے لئے سرگرم عمل ہے۔ زیر جائزہ مدت میں کھانے کو بہتر اور زیادہ عرصہ کے لئے محفوظ بنانے کی غرض سے ریفریجریٹر کے مختلف ماڈلز میں Ion Generators کا اضافہ کیا ہے۔ کمپنی کو اس عرصہ کے دوران لاچ کئے گئے Wifi Controlled ACs کے لئے مارکیٹ کے زبردست رجحان کی توقع ہے۔

کمپنی اپنی بنیادی صلاحیتوں سے آراستہ یعنی بہترین پیداواری اور ٹیکنالوجی کی سہولیات، فعال نیٹز اور بعد از سیل سروس نیٹ ورک، مسلسل تحقیقی عمل اور پیشہ وارانہ ٹیم کی بدولت بطور Key Market Player اپنا اعزاز برقرار رکھنے کے لئے پرعزم ہے۔

### پاور ڈویژن

موجودہ حکومت اپنے قیام سے لے کر اب تک پاور ڈویژن کی ساختی اصلاحات کو بہتر کرنے کے لئے کوشاں ہے۔ ملک کے FATF گرے لسٹ سے نکلنے کے بعد عالمی سطح پر مطلوبہ اہداف کو حاصل کرنے کے لئے قرض حاصل کرنے میں مدد ملنے کی توقع کی جارہی ہے۔ پاور ڈویژن میں تیزی سے بڑھتا ہوا گروتھی قرضہ ناپسندیدہ حد کو چھو رہا ہے اور اس کو بنگالی بنیادوں پر سنبھالنے کی ضرورت ہے۔ گروتھی قرضہ میں اضافہ کی وجہ سے بجلی کے ترسیلی نظام کا موثر نہ ہونا، بجلی کی چوری اور بلوں کی کم وصولی ہے۔ اس کا بہترین حل موثر ترسیلی نظام اور ٹیمپری میٹرنگ سسٹم ہے۔ پاور ڈویژن کی طرف سے موثر ترسیلی نظام اور سمارٹ میٹرنگ انفراسٹرکچر کے لئے ٹھوس اقدامات کئے گئے ہیں۔ نئی ٹرانسمیشن لائنوں اور گرڈ اسٹیشنوں کی تنصیب اور موجودہ کی اپ گریڈیشن اور جدید ٹیکنالوجی سے ایس آئی ٹی میٹرنگ انفراسٹرکچر کے قیام کے لئے بھرپور سرمایہ کاری کی گئی ہے۔

زیر جائزہ مدت کے دوران پاور ڈویژن کے محصولات گزشتہ سال اسی عرصہ کے 13,877 ملین روپے کے مقابلے میں 78.19 فیصد اضافے کے ساتھ 24,727 ملین روپے رہے ہیں۔ محصولات میں اضافے کی وجہ واپڈا کی تقسیم کار کمپنیوں کے ساتھ نجی شعبہ کی جانب سے مصنوعات کی طلب میں اضافہ ہے۔ کمپنی کی طرف سے Bio-Directional Energy Meter متعارف کروائے گئے ہیں جو کہ مولیڈیکالوجی سے بھرپور مطابقت رکھنے کے باعث خوب پذیرائی حاصل کر رہے ہیں۔ کمپنی نے گوجرانوالہ الیکٹرک پاور کمپنی GEPCO کو ایجوکیشنل آرڈرز کے ذریعے 2,000 آئی ٹی میٹر رینڈم میٹرز AMR فراہم کئے ہیں یہ GEPCO اور واپڈا کی دوسری ڈسٹری بیوشن کمپنیوں کو کمرشل سپلائی کے لئے فیچر رقت ہو سکتی ہے۔ پاور ڈویژن ہائی لاسز فیڈرز میں استعمال ہونے والے ٹرانسفارمرز میں AMR میٹرنگ کی تنصیب اور تمام کمرشل صارفین کے لئے AMR میٹرنگ کی تنصیب بندی کر رہی ہے۔ اس سے پاور ڈویژن کی مصنوعات کی طلب میں بھرپور اضافہ ہوگا جس سے محصولات اور منافع بڑھنے کی توقع ہے۔

مضبوط آرڈر بک کے ساتھ کمپنی اپنے سالانہ اہداف حاصل کرنے کے لئے پرعزم ہے اور پاور ڈویژن کی تمام مصنوعات کی پیداواری صلاحیتیں بڑھتی ہوئی طلب کو پورا کرنے کے لئے کافی ہیں۔ کمپنی اپنے قیام سے برقی آلات کی تیاری اور فروخت میں مصروف ہے۔ اس نے اپنی صلاحیتوں میں جس میں پیشہ وارانہ ٹیم اور جدید ترین میٹرو فیکٹرینگ اور ٹیکنالوجی کی سہولیات اور ایک طویل کسٹمر ریلیشن شپ کی

## ڈائریکٹرز کا جائزہ

تاریخ شامل ہے۔ ان بھرپور صلاحیتوں کی بدولت بطور Key Market Player اپنا اعزاز برقرار رکھنے کے لئے پرعزم ہے۔  
کمپنی کے اہم معاملات

### 72 Ordinary Right Shares کا 40 فیصد پریمیم پر اجراء

کمپنی نے زیر جائزہ مدت میں باقاعدہ منظوری کے بعد 358,330,670 Ordinary Right Shares کا 72 فیصد بحساب 14 روپے فی حصص بشمول 4 روپے پریمیم فی حصص جاری کیے ہیں۔ اور اس سے حاصل ہونے والی رقم کمپنی کے قرضہ جات اور working capital کی ضروریات کو پورا کرنے میں استعمال کی جائے گی۔

بہترین کارپوریٹ ایوارڈ

دوران سال کمپنی نے اپنی سالانہ رپورٹ 2021ء کے لئے ICAP اور ICMAP کی مشترکہ کمیٹی سے Engineering & Auto Sector میں تیسری پوزیشن کا ایوارڈ حاصل کیا ہے۔

### ڈائریکٹرز کا انتخاب

کمپنی کے سات ڈائریکٹر صاحبان اپنا دورانیہ مکمل کرنے پر پریاز ہوئے اور کمپنی کے شیئر ہولڈرز نے (EOGM) Extra Ordinary General Meeting منعقدہ 21 اکتوبر 2022ء میں نئے ڈائریکٹرز کا انتخاب کیا جن کے نام درج ذیل ہیں:

- 1- جناب محمد نسیم سہگل
- 2- جناب محمد مراد سہگل
- 3- جناب محمد زید یوسف سہگل
- 4- سید منظر حسن
- 5- جناب انجم نثار (سکدش ہونے والے جناب اسد اللہ خواجہ NIT نامزد کی جگہ)
- 6- سید ہارون رشید۔ آزاد
- 7- جناب محمد کامران سلیم۔ آزاد

مستقبل کے امکانات

ملکی معیشت میں انتہائی مشکل معاشی حالات کے باوجود بہتری کے آثار نظر آرہے ہیں۔ تاہم افراط زر کی شرح میں اتار چڑھاؤ اور سخت مالیاتی پالیسیوں کے باعث پاکستانی روپیہ مسلسل گراؤ کا شکار رہا ہے۔ مستحکم ملکی کرنسی اور مجموعی معاشی بحالی سے غیر یقینی صورت حال بہتر ہونے کا امکان ہے۔ آئی ایم ایف کے کامیاب آٹھویں اور نویں جائزے کے بعد بریس حوصلہ افزا ہیں جس سے قرض دہندہ کا اعتماد بحال ہو رہا ہے۔ حال ہی میں عرصہ چار سال کے بعد بہترین اقدامات کے نتیجے میں پاکستان FATF گرے لسٹ سے باہر نکل آیا ہے۔ اس کا ملکی درآمدات، برآمدات اور بیرونی ترسیلات پر مثبت اثر پڑے گا اور بین الاقوامی قرضے ملنے میں آسانی پیدا ہوگی۔ مزید برآں موجودہ منظر نامے میں ملکی اور غیر ملکی سرمایہ کاروں کا اعتماد بحال ہوگا۔ قرضوں کی بحالی کے باعث ملکی معیشت بہتری کی طرف گامزن ہوگی جس سے دوست ممالک سے مالی معاونت اور غیر ملکی قرضوں کی ادائیگی میں آسانی کا امکان بڑھے گا۔

UNO، ایشیائی ترقیاتی بینک (ADB)، ورلڈ بینک اور دوسرے دوست ممالک نے سیلاب متاثرین اور انفراسٹرکچر کی بحالی کے لئے مالی معاونت کا اعلان کیا ہے۔ سیلاب سے متاثرہ علاقوں سے پانی نکالنے اور بحالی سرگرمیاں تیز ہونے کا امکان ہے اور آپ کی کمپنی بہترین برقی آلات کی فراہمی کے ساتھ بحالی کے اس سفر میں حکومت کے ساتھ شانہ بشانہ کھڑی ہے۔

موجودہ حکومت ایک مرتبہ پھر CPEC منصوبوں پر اپنی سرگرمیاں تیز کر رہی ہے۔ CPEC کا پہلا مرحلہ جیہا کہ گوادار پورٹ کی ڈیولپمنٹ، بجلی پیدا کرنے والے منصوبوں کی تکمیل اور سڑکوں کی تعمیر کا کام تیزی سے جاری ہے اور اس کا دوسرا مرحلہ SEZs - Special Economic Zones کا قیام، کراچی سے پشاور اور ML-1 مین لائن کا کام جلد شروع کر دیا جائے گا۔ CPEC کے تحت بننے والے SEZs سے ایک صنعتی انقلاب آنے کی توقع ہے جس سے برقی آلات کی طلب میں بے پناہ اضافہ متوقع ہے۔ ML-1 منصوبے کی تکمیل سے تیز اور سستے ذرائع نقل و حمل میسر ہونگے جس سے خاص طور پر کراچی سے دیگر علاقوں کو درآمدی اشیاء کی فراہمی آسان ہو جائے گی۔ کمپنی ان مواقع سے فائدہ اٹھانے کے لئے بہتر پوزیشن میں ہے۔

موجودہ معاشی حالات کے پیش نظر EPC ڈیپارٹمنٹ نے اپنی کوچہ صرف بہتر مارجن والے پراجیکٹس پر مرکوز کرنے کا فیصلہ کیا ہے تاکہ کمپنی کے وسائل بہتر منافع والی مصنوعات میں لگایا جاسکے۔ آپ کے ڈائریکٹرز پرعزم ہیں کہ مستقبل کے موزوں حالات کے پیش نظر کمپنی اعلیٰ کوالٹی کی مصنوعات سپلائی کر کے بھرپور فائدہ اٹھائے گی۔

### اٹھارہ اشک

ہم مسلسل تعاون اور رہنمائی کے لئے بورڈ آف ڈائریکٹرز کے مشکور ہیں۔ ہم اپنی ٹیم کے اراکین کی انتھک محنت اور لگن کے ساتھ ساتھ قرض دہندگان، تقسیم کاروں اور دوکانداروں کے بھی ان مشکل حالات میں تعاون کرنے پر شکر گزار ہیں۔ ہم سکدش ہونے والے ڈائریکٹر جناب اسد اللہ خواجہ کی کمپنی کے لئے گراں قدر خدمات پر ان کا تہہ دل سے شکر یہ ادا کرتے ہیں۔

لاہور

ایم مراد سہگل

27 اکتوبر 2022ء

چیف ایگزیکٹو آفیسر

# Condensed Interim Statement Of Financial Position

AS AT SEPTEMBER 30, 2022

|  |      | September 30,<br>2022 | December 31,<br>2021 |
|--|------|-----------------------|----------------------|
|  | Note | Rupees '000'          | Rupees '000'         |
| <b>EQUITY AND LIABILITIES</b>              |      |                       |                      |
| <b>SHARE CAPITAL AND RESERVES</b>          |      |                       |                      |
| Authorized Capital                         | 5    | 11,000,000            | 11,000,000           |
| Issued, subscribed and paid up capital     | 6    | 9,009,698             | 5,426,392            |
| Share deposit money                        |      | -                     | 1,790,000            |
| Reserves                                   |      | 5,610,856             | 4,279,947            |
| Surplus on revaluation                     |      | 5,175,966             | 5,353,956            |
| Unappropriated profit                      |      | 19,846,354            | 18,176,520           |
|  |      | 39,642,873            | 35,026,815           |
| <b>NON-CURRENT LIABILITIES</b>             |      |                       |                      |
| Redeemable Capital                         | 7    | -                     | 1,500,000            |
| Long term financing                        | 8    | 3,985,911             | 5,305,591            |
| Lease Liabilities                          | 9    | 59,683                | 94,574               |
| Warranty obligations                       |      | 255,061               | 270,138              |
| Deferred taxation                          |      | 2,491,791             | 2,517,474            |
| Deferred income                            |      | 30,352                | 31,535               |
| <b>CURRENT LIABILITIES</b>                 |      |                       |                      |
| Trade and other payables                   |      | 1,560,303             | 1,499,775            |
| Unclaimed Dividend                         |      | 10,730                | 10,785               |
| Accrued interest/ mark up                  |      | 638,309               | 348,163              |
| Short term borrowings                      | 10   | 15,452,109            | 10,498,852           |
| Current Portion of Non Current Liabilities |      | 3,708,451             | 2,709,463            |
|  |      | 21,369,902            | 15,067,038           |
| <b>CONTINGENCIES AND COMMITMENTS</b>       |      |                       |                      |
|  | 11   | -                     | -                    |
|  |      | 67,835,574            | 59,813,165           |

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

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

**SYED MANZAR HASSAN**  
Chief Financial Officer

|                                     |      | September 30,<br>2022 | December 31,<br>2021 |
|-------------------------------------|------|-----------------------|----------------------|
|                                     | Note | Rupees '000'          | Rupees '000'         |
| <b>ASSETS</b>                       |      |                       |                      |
| <b>NON-CURRENT ASSETS</b>           |      |                       |                      |
| Property, plant and equipment       | 12   | 24,693,590            | 23,828,045           |
| Intangible assets                   |      | 286,105               | 290,980              |
|                                     |      | 24,979,695            | 24,119,025           |
| Long-term investments               | 13   | 10,915                | 13,505               |
| Long-term deposits                  |      | 485,740               | 487,964              |
| Long term advances                  |      | 1,001,189             | 987,714              |
| <b>CURRENT ASSETS</b>               |      |                       |                      |
| Stores, spare parts and loose tools |      | 864,792               | 870,240              |
| Stock-in-trade                      |      | 15,229,987            | 10,464,973           |
| Trade debts                         |      | 16,148,121            | 13,966,249           |
| Construction work in progress       |      | 758,433               | 797,701              |
| Short Term Advances                 |      | 2,784,593             | 2,795,698            |
| Short term deposits and prepayments |      | 1,384,247             | 1,324,480            |
| Other receivables                   |      | 257,238               | 295,897              |
| Short term investments              |      | 19,189                | 33,382               |
| Advance income tax                  |      | 3,261,332             | 3,076,940            |
| Cash and bank balances              |      | 650,104               | 579,397              |
|                                     |      | 41,358,035            | 34,204,957           |
|                                     |      | 67,835,574            | 59,813,165           |

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

**SYED MANZAR HASSAN**  
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Un-Audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 (Un-Audited)

|   | Note | Nine months ended     |                       | Quarter ended         |                       |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |      | September 30,<br>2022 | September 30,<br>2021 | September 30,<br>2022 | September 30,<br>2021 |
|   |      | Rupees '000'          | Rupees '000'          | Rupees '000'          | Rupees '000'          |
| <b>Gross Sales</b>                            | 14   | <b>54,179,616</b>     | 42,207,890            | <b>14,665,713</b>     | 11,687,894            |
| Discount / incentive                          |      | (3,093,656)           | (6,065,019)           | (470,724)             | (989,815)             |
| Sales Tax                                     |      | (7,764,307)           | (4,315,759)           | (2,124,092)           | (1,655,716)           |
| Sales Tax and discount                        |      | (10,857,963)          | (10,380,778)          | (2,594,816)           | (2,645,531)           |
| Net Sales                                     |      | <b>43,321,653</b>     | 31,827,112            | <b>12,070,897</b>     | 9,042,363             |
| Cost of Sales                                 | 15   | <b>(34,908,588)</b>   | (24,962,004)          | <b>(9,761,105)</b>    | (7,064,584)           |
| <b>Gross Profit</b>                           |      | <b>8,413,065</b>      | 6,865,108             | <b>2,309,792</b>      | 1,977,779             |
| <b>Other Operating Income</b>                 |      | <b>23,827</b>         | 22,279                | <b>6,639</b>          | 3,614                 |
|   |      | <b>8,436,892</b>      | 6,887,387             | <b>2,316,431</b>      | 1,981,393             |
| Distribution Cost                             |      | (2,365,362)           | (1,995,560)           | (505,942)             | (514,551)             |
| Administrative Cost                           |      | (1,425,282)           | (1,255,686)           | (491,604)             | (410,881)             |
| Other Operating Expenses                      |      | (198,303)             | (144,272)             | (54,256)              | (40,428)              |
| Impairment allowance for expected credit loss |      | -                     | (30,129)              | -                     | -                     |
| Finance Cost                                  |      | (2,257,058)           | (1,604,086)           | (755,789)             | (494,469)             |
| Share of profit/(loss) of associate           |      | (748)                 | (495)                 | (376)                 | (109)                 |
| <b>Profit/ (loss) Before Taxation</b>         |      | <b>2,190,138</b>      | 1,857,159             | <b>508,463</b>        | 520,955               |
| Provision for Taxation                        |      | (691,542)             | (482,209)             | (154,666)             | (171,347)             |
| <b>Profit/ (loss) after Taxation</b>          |      | <b>1,498,596</b>      | 1,374,950             | <b>353,797</b>        | 349,608               |
| <b>Earnings per share basic &amp; diluted</b> | 16   | <b>1.98</b>           | 2.51                  | <b>0.46</b>           | 0.63                  |

The annexed notes 1 to 20 form an integral part of these interim 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 (Un-Audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 (Un-Audited)

|   | September 30,<br>2022 | September 30,<br>2021 |
|---|-----------------------|-----------------------|
|   | Rupees '000'          | Rupees '000'          |
| <b>Cash flows from operating activities</b>                   |                       |                       |
| Profit/(Loss) before taxation                                 | 2,190,138             | 1,857,159             |
| Adjustments for non cash items and others                     | 3,187,537             | 2,187,141             |
| Cash generated from operations before working capital changes | 5,377,676             | 4,044,300             |
| Working capital changes                                       | (6,866,719)           | (1,792,523)           |
| Cash generated from operations                                | (1,489,044)           | 2,251,777             |
| Finance cost paid - Interest based                            | (1,938,366)           | (1,406,822)           |
| Income tax paid   | (916,682)             | (660,244)             |
|   | (2,855,048)           | (2,067,066)           |
| Net cash used in operating activities                         | (4,344,092)           | 184,711               |
| <b>Cash flows from investing activities</b>                   |                       |                       |
| Purchase of property, plant and equipment                     | (1,837,418)           | (776,275)             |
| Purchase of intangible assets                                 | 797                   | -                     |
| Proceeds from disposal of property, plant and equipment       | 40,837                | 22,917                |
| (Increase) / decrease in long-term deposits and advances      | (11,251)              | (105,151)             |
| Net cash used in investing activities                         | (1,807,035)           | (858,509)             |
| <b>Cash flows from financing activities</b>                   |                       |                       |
| Long Term Finances obtained                                   | 387,500               | 1,000,000             |
| Repayment of Long Term Finances                               | (2,135,254)           | (1,443,272)           |
| Increase/ (Decrease) in liabilities against finance lease     | (107,829)             | (220,437)             |
| Increase / (Decrease) in Short Term Borrowing                 | 4,953,257             | 1,346,410             |
| Dividend paid   | (55)                  | (3,539)               |
| Proceeds against right shares issued                          | 3,226,629             | -                     |
| Issuance cost of right shares                                 | (102,415)             | -                     |
| Net cash from financing activities                            | 6,221,833             | 679,162               |
| Net increase/(decrease) in cash and cash equivalents          | 70,707                | 5,364                 |
| 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>650,104</b>        | <b>557,642</b>        |

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

**M. MURAD SAIGOL**  
Chief Executive Officer

**M. ZEID YOUSUF SAIGOL**  
Director

**SYED MANZAR HASSAN**  
Chief Financial Officer

# Condensed Interim Statement of Changes in Equity (Un-Audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 (Un-Audited)

|   |  | Capital reserves       |                  | Revenue reserves   |                        |              |
|---|--|------------------------|------------------|--|------------------------|--------------|
|   | Issued,<br>Subscribed and<br>paid up Capital | Share Deposit<br>Money | Share<br>premium | Surplus on<br>Revaluation of<br>Property, Plant<br>and Equipment | Accumulated<br>Profits | Total        |
|   | Rupees '000'                                 | Rupees '000'           | Rupees '000'     | Rupees '000'   | Rupees '000'           | Rupees '000' |
| <b>Balance as at January 1, 2021</b>      | 5,426,392                                    | -                      | 4,279,947        | 5,723,151  | 16,285,232             | 31,714,722   |
| Loss for the period                       | -  | -                      | -                | -  | 1,374,950              | 1,374,950    |
| Other comprehensive loss                  | -  | -                      | -                | (60,552)   | -                      | (60,552)     |
| Incremental depreciation                  | -  | -                      | -                | (188,465)  | 188,465                | -            |
| <b>Balance as at September 30, 2021</b>   | 5,426,392                                    | -                      | 4,279,947        | 5,474,134  | 17,848,647             | 33,029,120   |
| Total comprehensive income for the period | -  | -                      | -                | -  | 216,126                | 216,126      |
| Other comprehensive loss                  | -  | -                      | -                | (8,431)  | -                      | (8,431)      |
| Revaluation surplus realised on disposal  | -  | -                      | -                | (56,428)   | 56,428                 | -            |
| Incremental depreciation                  | -  | -                      | -                | (55,319)   | 55,319                 | -            |
| Share deposit money received              | -  | 1,790,000              | -                | -  | -                      | 1,790,000    |
| <b>Balance as at December 31, 2021</b>    | 5,426,392                                    | 1,790,000              | 4,279,947        | 5,353,956  | 18,176,520             | 35,026,815   |
| Profit for the period.                    | -  | -                      | -                | -  | 1,498,596              | 1,498,596    |
| Other comprehensive loss                  | -  | -                      | -                | (6,752)  | -                      | (6,752)      |
| Incremental depreciation                  | -  | -                      | -                | (171,238)  | 171,238                | -            |
| <b>Transactions with owners:</b>          |  |                        |                  |  |                        |              |
| Share deposit money received              |  | 3,226,629              | -                | -  | -                      | 3,226,629    |
| Issue of right shares                     | 3,583,306                                    | (5,016,629)            | 1,433,324        | -  | -                      | -            |
| Issue cost of right shares                |  | -                      | (102,415)        | -  | -                      | (102,415)    |
| <b>Balance as at September 30, 2022</b>   | 9,009,698                                    | -                      | 5,610,856        | 5,175,966  | 19,846,354             | 39,642,873   |

The annexed notes 1 to 20 form an integral part of these interim 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 (Un-Audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 (Un-Audited)

## 1 LEGAL STATUS AND OPERATIONS

Pak Elektron Limited [the Company] was incorporated as a Public Limited Company in Pakistan under the repealed Companies Act, 1913 on 03 March 1956. Registered office of the Company is situated in the province of Punjab at 17 - Aziz Avenue, Canal Bank, Gulberg - V, Lahore. The manufacturing facilities of the Company are located at 34 K.M., Ferozepur Road, Keath Village, Lahore and 14 K.M., Ferozepur Road, Lahore. The Company is listed on Pakistan Stock Exchange Limited. 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:

- (i) **Power Division:** Manufacturing and sale of Distribution Transformers, Power Transformers, Switchgears, Energy Meters and Engineering, Procurement and Construction [EPC] contracting.
- (ii) **Appliances Division:** Manufacturing, assembling and distribution/sale of Refrigerators, Deep Freezers, Air Conditioners, Microwave Ovens, LED Televisions, Washing Machines, Water Dispensers 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 nine months ended September 30, 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. 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

These interim financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

| Items                               | Measurement basis         |
|-------------------------------------|---------------------------|
| Financial liabilities               | Amortized cost            |
| Financial assets                    | Fair value/amortized cost |
| Investment in associate             | Equity method             |
| Land, building, plant and machinery | Revalued amounts          |
| Warranty obligations                | Present value             |

### 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 believed 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 estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3.4 Functional currency

This financial information is prepared in Pak Rupees which is the Group'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

| September 30,<br>2022 | December 31,<br>2021 |   | Un-audited<br>September 30,<br>2022 | Audited<br>December 31,<br>2021 |
|-----------------------|----------------------|---|-------------------------------------|---------------------------------|
| No. of Shares         | No. of Shares        |   | Rupees '000'                        | Rupees '000'                    |
| 1,000,000,000         | 1,000,000,000        | Ordinary shares of Rs. 10 each          | 10,000,000                          | 10,000,000                      |
|                       |                      | 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         | 1,100,000,000        |   | 11,000,000                          | 11,000,000                      |

## 6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| September 30,<br>2022 | December 31,<br>2021 |  | Un-audited<br>September 30,<br>2022 | Audited<br>December 31,<br>2021 |
|-----------------------|----------------------|--|-------------------------------------|---------------------------------|
| No. of shares         | No. of shares        |  | Rupees '000'                        | Rupees '000'                    |
|                       |                      | <b>Ordinary shares of Rs. 10 each fully paid</b>           |                                     |                                 |
| <b>731,081,721</b>    | 372,751,051          | In cash  | <b>7,310,817</b>                    | 3,727,511                       |
| <b>137,500</b>        | 137,500              | Other than cash:   |                                     |                                 |
|                       |                      | -against machinery   | <b>1,375</b>                        | 1,375                           |
| <b>408,273</b>        | 408,273              | -issued on acquisition of PEL Appliances Limited           | <b>4,083</b>                        | 4,083                           |
| <b>6,040,820</b>      | 6,040,820            | -issued against conversion of preference shares            | <b>60,408</b>                       | 60,408                          |
| <b>118,343,841</b>    | 118,343,841          | -as bonus shares   | <b>1,183,439</b>                    | 1,183,439                       |
| <b>856,012,155</b>    | 497,681,485          |  | <b>8,560,123</b>                    | 4,976,816                       |
|                       |                      | <b>Fully paid A class preference shares of Rs. 10 each</b> |                                     |                                 |
| <b>44,957,592</b>     | 44,957,592           | In cash  | <b>449,576</b>                      | 449,576                         |
| <b>900,969,747</b>    | 542,639,077          |  | <b>9,009,698</b>                    | 5,426,392                       |

## 7 REDEEMABLE CAPITAL

|                          |                  |           |
|--------------------------|------------------|-----------|
| At beginning of the year | <b>1,500,000</b> | -         |
| Issued during the period | -                | 1,500,000 |
| Paid during the period   | -                | -         |
| Current portion          | <b>1,500,000</b> | -         |
| At end of the year       | -                | 1,500,000 |

## 8 LONG-TERM FINANCING - SECURED

|                                  |                    |             |
|----------------------------------|--------------------|-------------|
| As at beginning of the period    | <b>7,871,102</b>   | 7,638,638   |
| Obtained during the period       | <b>387,500</b>     | 2,112,500   |
| Paid / settled during the period | <b>(2,135,254)</b> | (1,880,036) |
| Current portion                  | <b>(2,137,437)</b> | (2,565,511) |
|                                  | <b>3,985,911</b>   | 5,305,591   |

## 9 LEASE LIABILITIES

|   |                 |           |
|---|-----------------|-----------|
| Present value of minimum lease payments | <b>130,697</b>  | 238,526   |
| Current maturity                        | <b>(71,014)</b> | (143,952) |
|   | <b>59,683</b>   | 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.

|   |        | (Un-Audited)<br>September 30,<br>2022 | (Audited)<br>December 31,<br>2021 |
|---|--------|---------------------------------------|-----------------------------------|
|   | Note   | Rupees '000'                          | Rupees '000'                      |
| <b>12 PROPERTY, PLANT AND EQUIPMENT</b>                     |        |                                       |                                   |
| Operating assets  | 12.1   | 23,065,162                            | 23,184,452                        |
| Capital work-in-progress                                    |        | 1,628,428                             | 643,593                           |
|   |        | <b>24,693,590</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 | 852,582                               | 3,032,919                         |
|   |        | <b>24,037,034</b>                     | <b>24,586,446</b>                 |
| Written down value of the assets disposed off / adjustments |        | (19,690)                              | (301,786)                         |
| Depreciation charged during the period / year               |        | (952,182)                             | (1,189,913)                       |
| Rental Properties   |        |                                       | 89,705                            |
|   |        | <b>23,065,162</b>                     | <b>23,184,452</b>                 |
| <b>12.1.1 Additions during the period / year</b>            |        |                                       |                                   |
| Land  |        | 60,000                                | -                                 |
| Building  |        | -                                     | 1,470,133                         |
| Plant and machinery   |        | 746,324                               | 1,424,054                         |
| Office equipment and furniture                              |        | 5,976                                 | 19,139                            |
| Computer hardware and allied items                          |        | 25,060                                | 47,147                            |
| Vehicles  |        | 15,222                                | 72,446                            |
|   |        | <b>852,582</b>                        | <b>3,032,919</b>                  |

|   |      | (Un-Audited)<br>September 30,<br>2022 | (Audited)<br>December 31,<br>2021 |
|---|------|---------------------------------------|-----------------------------------|
|   | Note | Rupees '000'                          | Rupees '000'                      |
| <b>13 LONG-TERM INVESTMENTS</b>   |      |                                       |                                   |
| Kohinoor Power Company Limited<br>2,910,600 shares (December 31, 2021: 2,910,600 shares)<br>of Rs. 10 each- Relationship: Associate<br>Ownership interest 23.10 % | 13.1 | 10,915                                | 13,505                            |
|   |      | <b>10,915</b>                         | <b>13,505</b>                     |
| <b>13.1 Investment in associate at cost - Quoted</b>  |      |                                       |                                   |
| Cost of investment  |      | 54,701                                | 54,701                            |
| Share of post acquisition losses  |      | (14,775)                              | (14,775)                          |
|   |      | 39,926                                | 39,926                            |
| Accumulated impairment  |      | (29,011)                              | (26,421)                          |
|   |      | <b>10,915</b>                         | <b>13,505</b>                     |
|   |      |                                       |                                   |
|   |      | <b>Nine months ended</b>              | <b>Quarter ended</b>              |
|   |      | <b>September 30,<br/>2022</b>         | <b>September 30,<br/>2021</b>     |
|   |      | <b>September 30,<br/>2022</b>         | <b>September 30,<br/>2021</b>     |
| <b>14 REVENUE</b>   |      | <b>Rupees '000'</b>                   | <b>Rupees '000'</b>               |
| Contract revenue  |      | 652,113                               | 507,492                           |
| Sales - local   |      | 52,948,526                            | 41,620,693                        |
| Sales - export  |      | 578,977                               | 79,705                            |
|   |      | <b>54,179,616</b>                     | <b>42,207,890</b>                 |
| Less: - sales tax and excise duty   |      | (7,764,307)                           | (4,315,759)                       |
| - trade discounts   |      | (3,093,656)                           | (6,065,019)                       |
|   |      | <b>(10,857,963)</b>                   | <b>(10,380,778)</b>               |
|   |      | <b>43,321,653</b>                     | <b>31,827,112</b>                 |
|   |      | <b>12,070,897</b>                     | <b>9,042,363</b>                  |

|                             | Nine months ended     |                       | Quarter ended         |                       |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                             | September 30,<br>2022 | September 30,<br>2021 | September 30,<br>2022 | September 30,<br>2021 |
|                             | Rupees '000'          | Rupees '000'          | Rupees '000'          | Rupees '000'          |
| <b>15 COST OF SALES</b>     |                       |                       |                       |                       |
| Raw material consumed       | 32,935,993            | 24,336,500            | 9,411,875             | 7,400,499             |
| Direct wages                | 921,490               | 773,092               | 270,136               | 244,602               |
| Factory overhead            | 1,898,841             | 1,640,854             | 524,693               | 476,786               |
| Raw material, wages and FOH | 35,756,324            | 26,750,446            | 10,206,704            | 8,121,887             |
| Work-in-process             |                       |                       |                       |                       |
| -at beginning of period     | 2,027,690             | 1,046,705             | 2,543,406             | 1,563,107             |
| -at end of period           | (2,226,378)           | (1,867,143)           | (2,226,378)           | (1,867,143)           |
|                             | (198,688)             | (820,438)             | 317,028               | (304,036)             |
| Cost of goods manufactured  | 35,557,636            | 25,930,008            | 10,523,732            | 7,817,851             |
| Finished goods              |                       |                       |                       |                       |
| -at beginning of period     | 2,750,009             | 1,529,403             | 3,225,418             | 1,838,825             |
| -at end of period           | (3,988,046)           | (2,955,774)           | (3,988,046)           | (2,955,774)           |
|                             | (1,238,037)           | (1,426,371)           | (762,628)             | (1,116,949)           |
|                             | 34,319,599            | 24,503,637            | 9,761,104             | 6,700,902             |
| Contract cost               | 588,988               | 458,367               | 0                     | 363,682               |
| Cost of sales               | 34,908,588            | 24,962,004            | 9,761,105             | 7,064,584             |

## 16 EARNINGS PER SHARE - BASIC AND DILUTED

The calculation of basic and diluted profit per ordinary share is based on the following data:

|  | (Un-Audited)<br>September 30,<br>2022 | (Audited)<br>December 31,<br>2021 |
|--|---------------------------------------|-----------------------------------|
|  | Rupees '000'                          | Rupees '000'                      |
| Profits for the period   | 1,498,596                             | 1,374,950                         |
| Less: dividend payable on preference shares                                | (32,032)                              | (32,032)                          |
| Profit attributable to ordinary shares                                     | 1,466,564                             | 1,342,918                         |
| <b>Number of shares</b>  | <b>(Number)</b>                       |                                   |
| Weighted average number of ordinary shares for the purpose of basic profit | 741,079,054                           | 535,841,374                       |

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>1.98</b> | 2.51 |
|--|-------------|------|

## 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 employment benefits, advances against issue of ordinary shares and dividend payments. Transactions with post employment benefits plan are limited to employers' contribution made. Transactions with sponsors are limited to issue of share capital and receipt of subscription there against. The Company in the normal course of business carries out various transactions with its subsidiary and associated companies 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<br>September 30,<br>2022 | Un-audited<br>September 30,<br>2021 |
|--------------------------|------------------------------|-------------------------------------|-------------------------------------|
|                          |                              | Rupees '000'                        | Rupees '000'                        |
| Relationship             | Nature of transaction        |                                     |                                     |
| Provident Fund Trust     | Contribution for the period  | 67,578                              | 61,669                              |
| Associated company       | Services acquired            | 40,242                              | 40,427                              |
| Key Management Personnel | Short-term employee benefits | 39,214                              | 37,146                              |
|                          | Post employment benefits     | 1,660                               | 1,465                               |
| Sponsors                 | Share deposit money received | 1,849,817                           | 700,000                             |
|                          | Issue of ordinary shares     | 2,549,817                           | -                                   |

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 October 27, 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

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



**WWW.PEL.COM.PK**

**PAK ELEKTRON LIMITED**

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

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