THRIVING
AGAINST THE ODDS

Navigating Challenges, Driving Growth

Annual Report
2023

Pak Elektron Limited

BEST CORPORATE REPORT AWARDS 2022

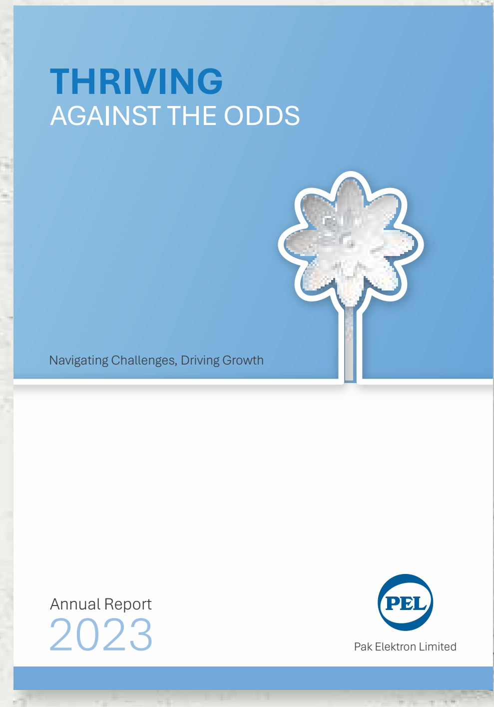
PEL's Annual Report 2022 secured 1st position in the Best Corporate Report Awards 2022 in the 'Engineering and Auto' Sector

The Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) jointly hold the Best Corporate Report Award annually.

Companies are encouraged to adopt international best practices to ensure transparency by giving more disclosures and following specific formal requirements. The criteria for evaluating companies are reviewed by the joint Committee of ICAP and ICMAP every year based on latest trends.

Every year all listed companies are requested to send their annual reports for the competition. The objective of the Awards is to encourage the application of timely, accurate informative and well-presented annual reports for stakeholders.

PEL participated in the competition for seventh consecutive year and was able to successfully secure awards in the Engineering and Auto sector for all eight years; 2015 to 2022. PEL's annual report is a vital tool for investors at home and abroad to enable them to understand the underlying factors relating to the current position and future prospects of the Company. The value of reporting to investors has been achieved by providing a greater focus on forward looking information, risk management, and integrating them in a more coherent way.



COVER STORY

Thriving Against the Odds: *Navigating Challenges, Driving Growth*

In the dynamic landscape of 2023, marked by unprecedented economic turbulence and global uncertainty, PEL stood tall, embodying resilience, adaptability, and unwavering commitment to excellence. Despite facing a myriad of challenges, from currency depreciation to inflationary pressures, interest rate hikes, and import restrictions, PEL not only weathered the storm but emerged stronger than ever.

At the heart of our success lies a steadfast dedication to understanding and addressing the needs of our customers. We believe that true innovation arises from a deep comprehension of the problems our customers face and a relentless pursuit of solutions that exceed their expectations. Thus, we embraced a consumer-driven product development approach, leveraging significant investments in research and development, cutting-edge technologies, and relentless innovation.

Throughout 2023, amidst economic turmoil, PEL remained a beacon of technological advancement and market leadership. Our unwavering commitment to quality and innovation propelled us forward, enabling us to meet the evolving demands of our customers and stay ahead of the curve in a rapidly changing landscape.

But perhaps the most critical factor in our success was our mindset—a mindset rooted in resilience, agility, and the unwavering determination to overcome any obstacle in our path. As challenges mounted, we remained steadfast in our pursuit of excellence, continuously striving to push boundaries, challenge norms, and redefine what is possible.

As we reflect on the year gone by, we are immensely proud of what we have achieved. Despite facing unprecedented challenges, PEL not only survived but thrived, demonstrating our ability to adapt, innovate, and overcome adversity. Looking ahead, we remain committed to our mission of driving growth, delivering value, and exceeding expectations—no matter the odds.

In this Annual Report, we invite you to explore our journey, our achievements, and our vision for the future. Together, let us celebrate our resilience, our ingenuity, and our unwavering commitment to excellence as we continue to chart a course toward a brighter, more prosperous tomorrow.

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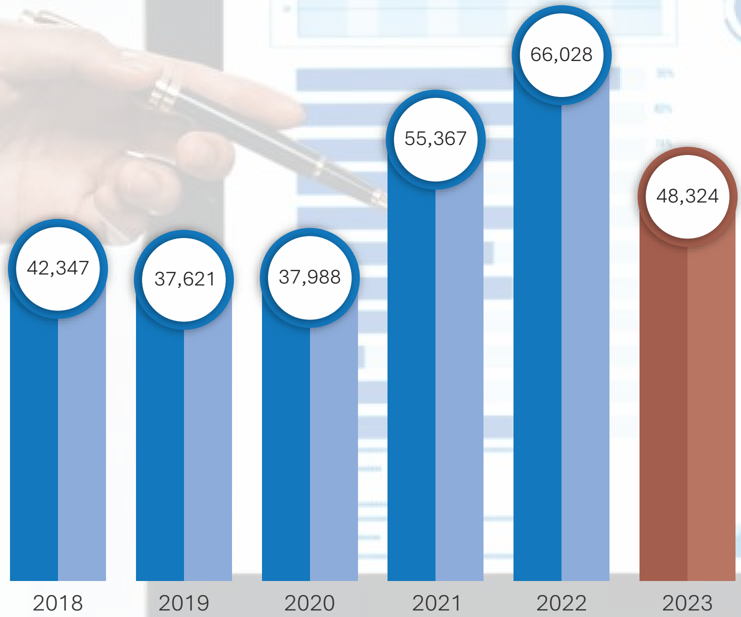
2023 IN NUMBERS

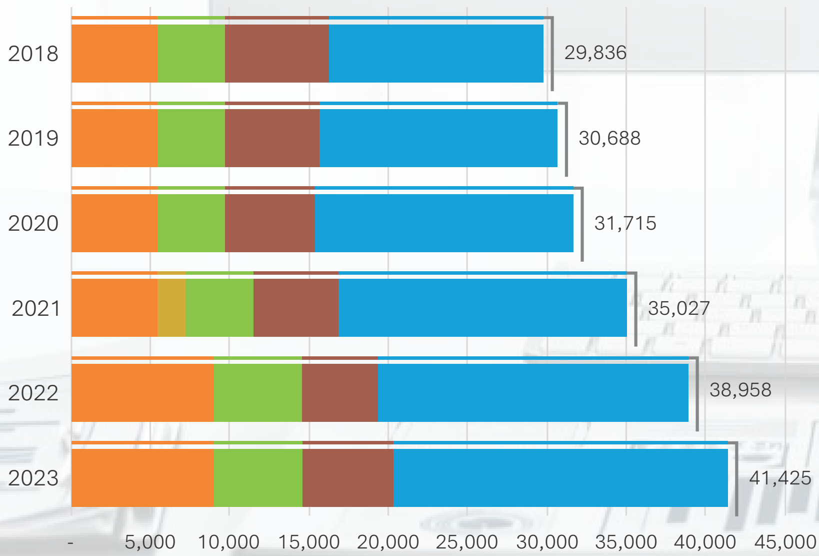
REVENUE IN 2023
(RUPEES IN MILLIONS)

48,324



EQUITY
[RUPEES IN MILLIONS]

- Retained earnings
- Revaluation reserve
- Share deposit money
- Share premium
- Issued share capital



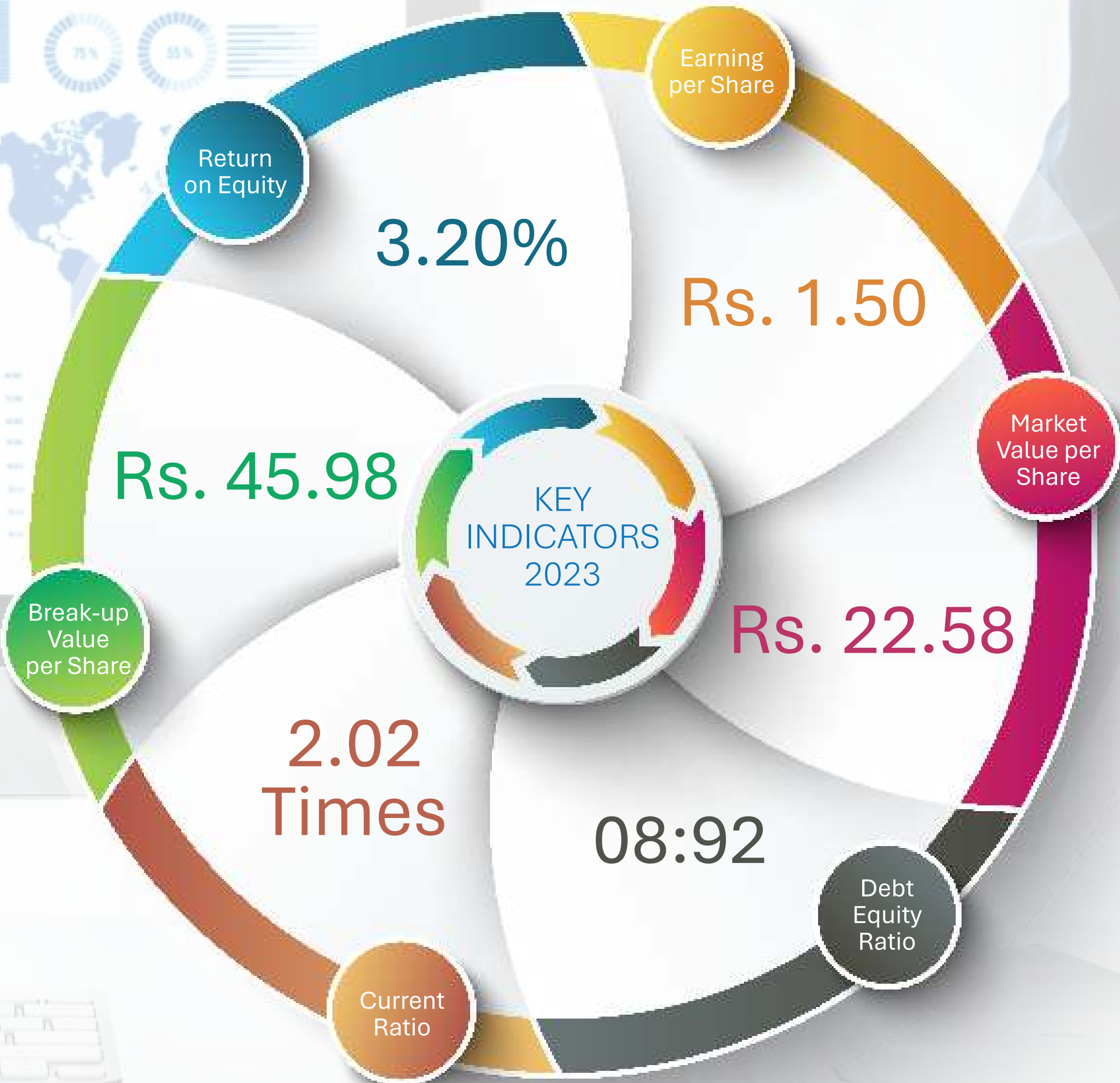
SEGMENTAL PERFORMANCE
[RUPEES IN MILLIONS]

REVENUE

Appliances Division	22,299
Power Division	26,024

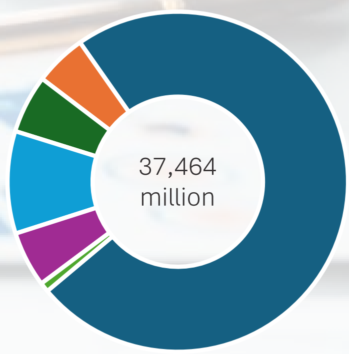
PROFIT

Appliances Division	624
Power Division	2,828



EXPENSES IN 2023

73.62%	Cost of sales
4.92%	Selling and distribution expenses
5.54%	Administrative expenses
9.74%	Finance cost
5.28%	Taxation
0.90%	Other expenses



CALENDAR OF EVENTS 2023

FEB

NEW MICROWAVE MODELS

The Company introduced 2 new Microwave Models, a Digital Model 'PMO 26 CHEF' with Grill Function and Blackish look and a Big Size Convection Model 'PMO 30 Convection' with Rotisserie Function for Baking and Cooking.

APR

NEW AIR CONDITIONER MODELS

The Company launched a new 'only cool' air conditioner model under the name 'Airy Series' and introduced a new model in Floor Standing Air Conditioners Category by the name of '24K Alpine'.

JUL

CREDIT RATING

The Pakistan Credit Rating Agency Limited, the country's leading credit rating agency, ranked the Company Long Term A+ (High Credit Quality) and Short Term A1 (A strong capacity for timely repayment) with stable outlook.

OCT

BEST CORPORATE REPORT AWARDS

The Company received Best Corporate Report Award for Annual Report 2022 securing 1st position in 'Engineering and Auto Sector' awarded by the Joint Committee of Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.

NOV

RECOGNITION BY K-ELECTRIC

The Company being K-Electric's distinguished business partner, was awarded Gold in the 'Collaboration Partner' category in the manufacturing and supply of power products and solutions, effective services, research and development and quality standards.

INTEGRATED REPORTING

Adoption and Adherence with the International Integrated Reporting Framework

Since its inception in 1956, PEL has maintained a legacy of adhering to the best corporate governance practices. The management has laid business foundation built on the principles of ethics and corporate professionalism and, as always, it is committed to generating greater value for both the organization and its stakeholders. The Company is not only focused on achieving sustainable corporate value but also committed to achieving excellence in transparent reporting.

In the current increasingly complex economic, technological, social, political and environmental circumstances, integration of its financial information with non-financial information is one of the most effective ways for an organization to demonstrate the importance of linking sustainability issues to business strategies. Frequent changes to the corporate environment have led to a need for additional information beyond the basic financial statements so that stakeholders can have a better understanding of the value-creation process.

The Company has adopted 'International Integrated Reporting (IR) Framework' to give an overview of the Company's business affairs by presenting and explaining all the financial and non-financial information, considering the variable interests of a wide range of stakeholders, in a manner that would enhance the user's understanding as to how the Company is working to improve its performance.

The IR Framework requires a strong commitment by the Company's management who is ultimately responsible for the message the Company is delivering to all of its stakeholders. The Board of Directors, elected by shareholders, play a crucial role in maintaining an integrated reporting mechanism and ensuring long-term value creation while simultaneously increasing transparency for the shareholders.

Adoption of International Integrated Reporting Framework depends on the individual circumstances of an entity and is still considered to be a practice in its early stages. We will continue to improve the information produced to make it even easier to understand, while taking into account the opinion of stakeholders reading this report. This year the Company has included following content elements for the users of this report:

A. Organizational Overview and External Environment
B. Strategy and Resource Allocation
C. Risks and Opportunities
D. Governance
E. Directors' Report
F. Outlook
G. Stakeholders Relationship and Engagement
H. Sustainability and Corporate Social Responsibility
I. Audited Financial Statements
J. Annual General Meeting

Moving ahead with PEL's tradition of providing information to its stakeholders that goes beyond the traditional requirements of financial reporting framework and other legal requirements, by doing so we believe the stakeholders gain a better understanding of the Company, its business, strategies, opportunities and risks, business model, governance and performance which itself is a form of value creation for its stakeholders.

Unreserved Compliance with Accounting and Reporting Standards Applicable in Pakistan

PEL prepares its financial statements in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

a) International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;

b) Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

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

The Company has adopted all IFRSs notified under the Companies Act, 2017 and effective for the year 2023 Those IFRSs which have been notified under the Companies Act, 2017 but are not effective for the year 2022 will be adopted on their due dates.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed in preparation and presentation of financial statements.

The systematic coverage of this report cross-referenced with the Best Corporate Reports 2023 Evaluation Criteria provided jointly by the Institute of Chartered Accountants of Pakistan and The Institute of Cost and Management Accountants of Pakistan.

Domain		Content Elements	Page
01 Organizational Overview and External Environment	1.01	Mission, vision, code of conduct, ethics and values.	A 27 - 32
	1.02	Principal business activities and markets (local and international) including key brands, products and services.	A 02 - 20
	1.03	Geographical location and address of all business units including sales units and plants.	A 21, 25
	1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	A 33
		Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	A 34
	1.05	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	A 33
	1.06	Organization chart indicating functional and administrative reporting, presented with legends.	A 37
	1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	A 41
	1.08	a) Explanation of significant factors effecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	A 43
		b) The effect of seasonality on business in terms of production and sales.	A 48
	1.09	The legislative and regulatory environment in which the organization operates.	A 48
	1.10	The legitimate needs, interests of key stakeholders and industry trends.	A 48
	1.11	SWOT Analysis of the company.	A 47
	1.12	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	A 45
	1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	A 48
	1.14	History of major events.	vii, A 23
	1.15	Details of significant events occurred during the year and after the reporting period.	A 48
02 Strategy and Resource Allocation	2.01	Short, medium and long-term strategic objectives and strategies in place to achieve these objectives.	B 02
	2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital, b) Human Capital, c) Manufactured Capital, d) Intellectual Capital, e) Social and Relationship Capital; and f) Natural Capital.	B 04
	2.03	The capabilities and resources of the company to provide sustainable competitive advantage and as result value created by the business.	B 05
	2.04	The effects of the given factors on company strategy and resource allocation: technological changes, ESG reporting and challenges, initiatives taken by the company in promoting and enabling innovation and resource shortages (if any).	B 06
	2.05	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	B 02
	2.06	The company's sustainability strategy with measurable objectives/ targets.	B 01

Domain		Content Elements	Page
02 Strategy and Resource Allocation	2.07	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	B 01
	2.08	a) Information about defaults in payment of any debts with reasons and b) Board strategy to overcome liquidity problem and its plan to manage repayment of debts and meet operational losses.	C 06
03 Risks and Opportunities	3.01	Key risks and opportunities (internal and external) effecting availability, quality and affordability of Capitals.	C 01 - 05
	3.02	A Statement from Board for determining the following: a) company's level of risk tolerance by establishing risk management policies. b) the company has carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	C 05
	3.03	Risk Management Framework covering principal risk and uncertainties facing the company, risk methodology, risk appetite and risk reporting.	C 01
	30.4	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	C 01
	30.5	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (is any).	C 01
04 Sustainability and Corporate Social Responsibility	4.01	Board's statement for adoption of best practices for CSR.	H 01
	4.02	Board's statement about the company's strategic objectives on ESG (environmental, social and governance)/ sustainability reporting.	H 02
	4.03	A chairman's overview on how the company's sustainable practices can affect their financial performance.	E 01
	4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR as per best business practices including: a) environment related obligations applicable on the company, b) company progress towards ESG initiatives during the year, and c) company's responsibility towards the staff, health & safety.	H 04 - 07
	4.05	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	H 01
	4.06	Certifications acquired for best sustainability and CSR practices or have a membership of any environmental or social groups.	H 06
05 Governance	5.01	Board composition:	
		a) Leadership structure of those charged with governance.	D 01
		b) Name of independent directors indicating justification for their independence.	D 01
		c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.	D 01
		d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc.	D 03 - 06
		e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	D 03 - 06
	5.02	A brief description about role of the Chairman and the CEO.	D 07
	5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	D 08
	5.04	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	D 09, E 01
	5.05	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	D 09
	5.06	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	D 09

Domain	Content Elements			Page
05 Governance	5.07	Details of formal orientation courses for directors.		D 10
	5.08	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.		D 10
	5.09	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.		D 17
	5.10	Disclosure about related party transactions:		
		a)	Approved policy for related party transactions.	D 17
		b)	Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding.	D 17
		c)	Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.	D 17
		d)	Disclosure of director's interest in related party transactions.	D 17
		e)	In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	D 17
	5.11	Disclosure of Board's Policy on the following significant matters:		
		a)	Governance of risk and internal controls.	D 15
		b)	Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	D 16
		c)	Disclosure of director's interest in significant contracts and arrangements.	D 16
		d)	Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	D 17
		e)	Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	D 17
		f)	Security clearance of foreign directors.	N/A
		g)	Board meetings held outside Pakistan.	N/A
		h)	Human resource management including preparation of succession plan.	D 16
		i)	Social and environmental responsibility.	D 15
		j)	Communication with stakeholders.	D 16
		k)	Investors' relationship and grievances.	D 15
		l)	Employee health, safety and protection.	D 17
		m)	Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report.	D 16
		n)	Safety of records of the company.	D 15
		o)	Company's approach to managing and reporting policies like procurement, waste and emissions.	D 17
	5.12	Board review statement of the organization's business continuity plan or disaster recovery plan.		D 13 - 14
	5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).		D 19
	5.14	a)	Shares held by Sponsors / Directors / Executives;	E 42
		b)	Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	E 42
	5.15	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).		D 11 - 12
	5.16	Timely Communication: within 40 days - 6 marks (within 50 days - 6 marks in case of holding company who has listed subsidiary /subsidiaries) within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).		N/A

Domain	Content Elements			Page
05 Governance	5.17		Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
		a)	Composition of the committee with at least one member qualified as “financially literate and all members are non-executive /Independent directors including the Chairman of the Audit Committee.	D 21
		b)	Committee’s overall role in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed.	D 21
		c)	Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure.	D 21
		d)	Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance.	D 21
		e)	Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance.	D 21
		f)	An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded.	D 21
		g)	If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	D 21
		h)	The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy.	D 21
		i)	Results of the self-evaluation of the Audit Committee carried out of its own performance.	D 21
		j)	Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	D 21
	5.18		Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee’s activities / matters that are within the scope of the Audit Committee’s responsibilities.	J 01
	5.19		Board disclosure on Company’s use of Enterprise Resource Planning (ERP) software including:	
		a)	how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system;	D 13
		b)	management support in the effective implementation and continuous updation;	D 13
		c)	details about user training of ERP software;	D 13
		d)	how the company manages risks or control risk factors on ERP projects;	D 13
		e)	how the company assesses system security, access to sensitive data and segregation of duties.	D 13
	5.20		Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, a disclosure if it has any other connection with the company.	D 17
	5.21		Chairman’s significant commitments and any changes thereto	D 17
	5.22		Disclosure about the Government of Pakistan policies related to company’s business/sector in Directors’ Report and their impact on the company business and performance.	D 17

Domain		Content Elements	Page
06 Analysis of the Financial Information	6.1	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between:	E 13 - 36
		a) Past and current performance;	E 13 - 36
		b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits.	E 07
	6.2	a) Analysis of financial ratios (Annexure I).	E 18 - 20
		b) Explanation of negative change in the performance against prior year.	E 18 - 20
	6.3	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years.	E 21 - 28
	6.4	Graphical presentation of 6.02 and 6.03 above.	E 13 - 36
	6.5	Methods and assumptions used in compiling the indicators.	E 13 - 36
	6.6	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	E 28
	6.7	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	E 33
	6.8	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	E 32
		b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	E 34
	6.9	Brief description and reasons for not declaring dividend despite earning profits and future prospects of dividend.	E 45
	6.10	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	E 44
07 Business Model	7.1	Describe the business model including inputs, business activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework.	A 39
	7.2	Explanation of any material changes in the entity's business model during the year.	A 39
08 Disclosures on IT Governance and Cybersecurity	8.1	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	D 13 - 14
	8.2	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	D 13 - 14
	8.3	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	D 13 - 14
	8.4	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	D 13 - 14
	8.5	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	D 13 - 14
	8.6	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	D 13 - 14
	8.7	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	D 13 - 14
	8.8	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	D 13 - 14
	8.9	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	D 13 - 14

Domain		Content Elements	Page
09 Future Outlook	9.1	Forward-looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	F 01
	9.2	Explanation as to how the performance of the company meets the forward-looking disclosures made in the previous year.	F 02
	9.3	Status of the projects in progress and were disclosed in the forward-looking statement in the previous year.	F 02
	9.4	Sources of information and assumptions used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.	F 02
10 Stakeholders Relationship and Engagement	10.1	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	G 01
	10.2	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed.	G 02 - 04
		These engagements may be with:	G 02 - 04
		a) Institutional investors;	G 02 - 04
		b) Customers & suppliers;	G 02 - 04
		c) Banks and other lenders;	G 02 - 04
		d) Media;	G 02 - 04
		e) Regulators;	G 02 - 04
		f) Local committees; and	G 02 - 04
		g) Analysts.	G 02 - 04
	10.3	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	G 07
	10.4	Investors' Relations section on the corporate website.	G 07
	10.5	Issues raised in the last AGM, decisions taken and their implementation status.	G 07
	10.6	Statement of value added and its distribution with graphical presentation:	
		a) Employees as remuneration;	G 08
		b) Government as taxes (separately direct and indirect);	G 08
		c) Shareholders as dividends;	G 08
		d) Providers of financial capital as financial charges;	G 08
		e) Society as donation; and	G 08
		f) Retained within the business.	G 08
	10.7	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	G 07
	10.8	Highlights about redressal of investors' complaints.	G 07
11 Striving for Excellence in Corporate Reporting	11.1	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	viii
	11.2	Adoption of International Integrated Reporting Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles'.	viii
	11.3	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	ix

Domain	Content Elements		Page
12 Specific Disclosures of the Financial Statements	12.1	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs.	
	a)	Fair value of Property, Plant and Equipment.	I 35
	b)	Particulars of significant/ material assets and immovable property including location and area of land.	I 36
	c)	Capacity of an industrial unit, actual production and the reasons for shortfall.	I 64
	d)	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	I 38
	e)	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	I 64
	f)	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	N/A
	g)	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	I 17
	h)	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	N/A
	I)	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A

A

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

"We THRIVE in the toughest circumstances because we know that impossible ODDS set the stage for amazing miracles."

- Mark Batterson

ABOUT PEL

PEL is the pioneer manufacturer of electrical goods in Pakistan. In 1956, the Company was set up by Malik Brothers in technical collaboration with M/s AEG of Germany ['AEG'] to manufacture transformers, switchgear and electric motors. AEG exited from the venture and sold their share of PEL to the Malik Brothers in the late 1960s, which was subsequently acquired by the Saigol Group of Companies in 1978.

Since its inception, the Company has always been contributing towards the advancement and development of the engineering sector in Pakistan by introducing a range of quality electrical equipment, home appliances and by producing hundreds of engineers, skilled workers and technicians through its apprenticeship schemes and training programmes.

Until the acquisition by the Saigol Group, PEL was solely catering the power equipment market. The Company ventured into home appliances market in 1981 after acquisition as a part of the Company's long term strategy of diversification.

The Company comprises of two divisions; each offering a wide range of products as follows:

Appliances Division

- Refrigerators
- Air Conditioners
- Deep Freezers
- Microwave Ovens
- Water Dispensers
- LED Televisions
- Washing Machines
- Small Domestic Appliances (Electric Kettle, Toaster, Sandwich Maker, Steam Iron)

Power Division

- Distribution Transformers
- Power Transformers
- Energy Meters
- Switchgears
- EPC Contracting

“Winners never quit, and quitters never win.”

-Vince Lombardi

PRODUCT PROFILE

APPLIANCES DIVISION

The Company stands as a trailblazer in Pakistan's home appliances manufacturing sector since its inception in 1981. PEL has consistently held a prominent position as a market leader in the electrical home appliances business, boasting a diverse and loyal customer base along with a substantial market share. The escalating demand for the Company's products can be attributed to their aesthetically enhanced, energy-efficient, and economically viable designs. The ongoing research and development endeavours of the Company are focused on crafting cutting-edge products that are not only market-ready but also equipped with the latest innovations.

REFRIGERATORS

PEL Refrigerator is a market trusted direct cooling machine equipped with quality food preservation and nourishing features. The Company started refrigerator manufacturing and sales business in 1987 with the technical assistance from IAR- SILTAL Italy. Its cooling performance is certified by DANFOSS Germany while the manufacturing facility is ISO 9002 Certified from SGS Switzerland. Refrigerator is one of the Company's premium products and has always contributed high revenues.

The Company has introduced more than 70 variations of refrigerators, ranging from 4 to 15 cubic feet in capacity. These products are further divided into different series. The 'Glass Door Series' and 'Glass Door Prism Series' feature aesthetically enhanced designs, while the 'INVERTON Series' showcases energy-efficient UPS and solar-compatible designs. The 'Life Series' prioritizes affordability. The Glass Door and Glass Door Prism Series appeal to those seeking sophistication, while the INVERTON Series appeals to environmentally conscious consumers. The Life Series, known for its cost-effectiveness, is preferred by budget-conscious individuals. Glass Door designs are incorporated into bedroom refrigerators to enhance their appeal and complement room décor. Printing on internal components enhances the overall aesthetic of the Refrigerator's interior.

As lifestyle standards continue to evolve alongside local customs, refrigerators have become an indispensable household item. With its exceptional capabilities, the Company is committed to broadening its market footprint.

PRODUCT PROFILE
APPLIANCES DIVISION

Customized product designs enables the Company to meet requirements of local companies and MNCs in bottling and dairy sector. The Company after successful SGP audits is qualified as registered supplier with different businesses. Ongoing Research and Development function is instrumental towards development of customer specific designs.

DEEP FREEZERS

PEL ventured into the Deep Freezers market in 1987 through a technical collaboration with ARISTON Italy. Its tailored products are highly competitive, utilizing 'Ozone-Friendly Refrigerants' in accordance with the UN Montreal Protocol, making them a reliable choice for multinational corporations [MNCs] in the corporate sector. The Company's customer-specific designs cater to the needs of ice cream and beverage companies, earning it significant brand recognition.

Over 15 product variations of deep freezers, chest freezers, and visi coolers, ranging from 8.5 to 18 cubic feet, have been introduced by the Company. These products are further classified into three distinct series: the aesthetically enhanced 'Arctic Pro Freeze Series', the energy-efficient 'Arctic INVERTON series', and the cost-effective 'Arctic Crystal Series'.

PEL's customized Deep Freezers have gained preference among corporate institutions and MNCs in the beverages, dairies, and other food industries. Furthermore, the Company's proficiency in providing tailored solutions has cultivated strong partnerships with key industry players.

The evolving norms for food preservation in the bottling and dairy sectors have led to an increased demand for customer-specific Deep Freezers. PEL Deep Freezers with customized designs effectively meet the requirements of both local companies and multinational corporations in the bottling and dairy sectors.

PRODUCT PROFILE

APPLIANCES DIVISION

AIR CONDITIONERS

The Company entered the window ACs business in 1981, marking the inception of this industry in the country. It held a leading position in the market for an extended period until the technological shift to Split ACs occurred. The Company's re-entry into the market with Split ACs was met with enthusiasm due to its innovative features, product quality, durability, strong brand reputation, and nationwide responsive after-sales service.

Launching 40 variants of wall-mounted 1 Ton, 1.5 Ton, and 2 Ton ACs, the Company offers various categories distinguished by their striking aesthetics and energy-saving capabilities. The energy-efficient Air Conditioners are categorized into the basic series 'ACE, APEX, Arctic', Fit series 'Fit White, Fit Black, Fit Chrome', and full series 'Jumbo DC, Turbo DC'. The introduction of the new '24K Alpine' model expands the Floor Standing Model range, providing customers with more options in the Floor Standing ACs category.

Additionally, the Company has incorporated 'GEN Mode' into 5 models within the Super T3 Pro and Saver Series. In GEN mode, users can adjust the compressor speed as needed, allowing the Air Conditioner to operate smoothly on a generator or UPS.

PEL ACs, featuring aesthetically improved, attractive, and energy-efficient designs with competitive market features, have consistently been well-received in the local market. The Company's ongoing research and development efforts aim to design cutting-edge products that align with market demands.

> "If we do what is necessary, all the odds are in our favor."
>
> -Charles Buxton

PRODUCT PROFILE

APPLIANCES DIVISION

WATER DISPENSERS

In response to consistent market demand, the Company introduced locally manufactured Water Dispensers in 2017. Offering 8 product variants under the 'Glass Door' and 'Sleek Design' series, PEL Water Dispensers have been well-received in the local market.

Driven by lifestyle improvements and rapid urbanization, the demand for Water Dispensers continues to grow, and PEL is committed to expanding its market presence.

MICROWAVE OVENS

The Company's Microwave Ovens offer an enhanced cooking experience with improved features. PEL has introduced 13 product variants, ranging from 20 to 43 liters in capacity, each with unique aesthetics and features. PEL Microwave Ovens are categorized into series such as 'Classic', 'Desire', 'Glamour', 'Silver Line', and 'Convection', catering to various preferences. Equipped with both manual and digital interfaces, PEL microwave ovens include the sleek 'PMO 26 CHEF' digital model with Grill Function, as well as the larger convection model 'PMO 30 Convection' with rotisserie function for baking and cooking.

The Company's ongoing research and development efforts aim to incorporate the latest market competitive features, positioning PEL to expand its market presence.

PRODUCT PROFILE

APPLIANCES DIVISION

WASHING MACHINES

With a manufacturing facility established in July 2019, the Company entered the Washing Machine market. PEL has launched 10 product variants with capacities ranging from 8.5 to 12.5 kgs, categorized into 'Single Washers', 'Twin Tub', and 'Fully Automatic'.

PEL Washing Machines feature meaningful innovations and contemporary space-saving designs. The innovative 'Fit-Wash' technology protects delicate fabrics while ensuring outstanding washing performance. The unique structure of its pulsator generates a dynamic, multi-directional washing flow that minimizes tangles, twists and knots and thoroughly cleans clothes with its enhanced stain fighting capabilities. Artificial Intelligence automatically detects optimal washing for clothes and its touch and go function automatically calculates and starts washing cycle.

PRODUCT PROFILE

APPLIANCES DIVISION

LED TELEVISIONS

To meet market demand, the Company entered the LED TV business in 2018, offering 'Smart' and 'Conventional' categories. Smart LED TVs are available in sizes ranging from 32 inches to 55 inches.

PEL 4K COLORON LED TV, with Smart TV features 4K UHD, Smart LED technology and Dolby Digital (5.1) surround sound system which, combined with Netflix and YouTube, delivers a fully cinematic entertainment experience.

The COLORON LED TV also comes with Android 6.0 Marshmallow, as well as Google Play and Wi- Fi functions, allowing users to download and use all their favourite apps on the TV itself. With its built-in Screen Mirroring technology, users can use the COLORON LED TV to view content being played on their mobile devices.

PEL LED TV uses IPS display to enhance display and colour quality, and allows for high quality viewing from any angle. It also has 1 GB RAM, 8 GB Internal Memory, VGA, USB 2.0, HDMI 2.0 and has LAN capabilities making it an equally good choice for both movie fans and gamers.

Local LED TVs with advanced features have replaced imported products, with market demand projected to grow further due to lifestyle improvements.

PRODUCT PROFILE
POWER DIVISION

The Company since its inception is engaged in manufacturing and sales of quality electrical equipment and related services under flagship of its Power Division. State-owned power utilities, corporates both private and State-owned enterprises, construction Industry both housing and commercial projects are among major customers. PEL is now a technology forerunner and market leader in providing new products and services to meet the challenges and technology intensive needs of its customers. Company's EPC contracting division delivers custom designed and built HV and EHV grid stations, electrification of housing projects and industrial parks. We aim to maintain this competitive edge and at the same time keep striving to improve it further by continuous research and development, creating new knowledge and adopting global developments in technology and product design.

DISTRIBUTION TRANSFORMERS

The Distribution Transformer stands as one of the Company's flagship products, with PEL involved in its manufacturing since its establishment in 1958. The product lineup encompasses oil-immersed core type transformers, dry type transformers, and auto transformers with voltage ratings up to 33 KV and capacities ranging from 10 KVA to 10 MVA. Leveraging exceptional manufacturing capabilities, the Company has introduced 'Smart Transformers' featuring reduced size through foil winding, advanced cooling-efficient insulation, and corrugated tanks with detachable radiators.

Renowned for its outstanding performance and longstanding customer relationships, the Company holds a significant market share and is a key player in the local market, particularly following Siemens' departure from the transformer business. With state-of-the-art manufacturing and testing facilities, PEL established a cutting-edge transformer manufacturing facility on 34-KM Ferozepur Road in 2009, adhering to global quality standards with technical support from Pauwels, Belgium.

These transformers have undergone rigorous testing and accreditation for impulse voltage and short circuits at esteemed laboratories such as Short Circuit Laboratory, KEMA (Holland), and HVSC Lab, RAWAT (Pakistan). In addition to meeting domestic demand, PEL exports transformers to various countries. Notably, PEL achieved a milestone by successfully conducting short circuit testing of PEL Green Transformers (utilizing biodegradable fluid instead of conventional mineral oil) at KEMA – Netherlands for Jordan Electric Power Company - JEPCO Jordan, marking a historic achievement for a Pakistani manufacturer.

The escalating electricity consumption necessitates an expanded Transmission & Distribution (T&D) infrastructure to ensure smooth supply to end consumers, thereby driving the demand for distribution transformers. With its advanced manufacturing and testing capabilities, the Company is poised to capitalize on this growing demand and expand its market presence.


LIGHTNING IMPULSE VOLTAGE
LESCO

PRODUCT PROFILE

POWER DIVISION

POWER TRANSFORMERS

Drawing upon its extensive history of customer relationships with state-owned power utilities and its success in the distribution transformer business, the Company established its Power Transformer Division in 2005. Since its inception, this division has manufactured transformers with ratings of 31/40 MVA, 20/26 MVA, and 10/13 MVA for the 132 KV level. To enhance global competitiveness, PEL merged its technical expertise with GANZ, a renowned Hungarian transformer manufacturer with over 150 years of experience, and continues to collaborate with their technical partners for further development.

Recognized as a high-value component in the electricity grid, the Company's power transformers play a crucial role in ensuring uninterrupted electricity supply. With a product population of 730 units, including 100 units supplied in 2022, PEL maintains a significant presence in the system.

Following Siemens' departure from the transformer business, PEL emerged as a leading power transformer manufacturer in the local market. The demand for power transformers is rapidly expanding, fueled by the government's accelerated efforts to augment Transmission & Distribution (T&D) infrastructure after fulfilling energy generation requirements.

Anticipating a surge in demand, the Company established a state-of-the-art manufacturing and testing facility on 34-KM Ferozepur Road, Lahore, which commenced commercial production in 2020 and achieved full operational status in 2021.

As a critical component in the electricity grid, power transformers play a pivotal role in meeting the increasing demand for electricity driven by rapid urbanization and the widespread use of electrical appliances. The growing demand for electricity necessitates the augmentation of T&D infrastructure, thereby driving the demand for power transformers. Positioned as a key player in the market, PEL is poised to capitalize on this growing demand and expand its market presence.

ENERGY METERS

Leveraging its established customer relationships with state-owned electricity utilities, the Company ventured into the energy meter business in 1992 by introducing single and three-phase electromechanical meters under license from ABB USA. Subsequently, in response to technological advancements, the Company transitioned to manufacturing single-phase and three-phase static meters. PEL's energy meters are tailored to meet the specifications of utility companies and undergo quality certification by the renowned KEMA Laboratories of the Netherlands. The manufacturing facility for PEL Energy Meters holds ISO 9002 certification, ensuring adherence to quality standards and specifications set by WAPDA and KESC.

The escalating issue of circular debt poses a significant concern, underscoring the need for an efficient metering system to combat electricity theft. PEPCO is actively pursuing the implementation of Advanced Meter Reading (AMR) and Advanced Metering Infrastructure (AMI) to ensure accurate and efficient revenue collection from customers. Aligning with the demands of WAPDA's power utilities, the Company has developed Single Phase, Three Phase GSM Energy Meters, and DLMS Compliant Single Phase Energy Meters with advanced functionalities, approved by the National Transmission and Dispatch Company (NTDC).

In response to the increasing focus on alternative and clean energy to mitigate atmospheric pollution, the growth of alternative energy resources is anticipated, both domestically and industrially. PEL has introduced its self-designed NET METERING unit, approved by PEPCO, to record energy flow from alternate sources and integrate it with the main WAPDA system.

The mounting circular debt resulting from electricity theft poses a significant financial viability threat to the electricity Transmission & Distribution (T&D) business. Implementing an efficient metering system can mitigate these losses. PEPCO's pursuit of AMR/AMI implementation underscores the importance of precise revenue collection, and PEL, with its customized customer-specific designs, is well-positioned to expand its market presence.

PRODUCT PROFILE

POWER DIVISION

SWITCH GEARS

Since its establishment in 1958, the Company has been actively involved in the Switch Gear business and has emerged as one of Pakistan's leading manufacturers in this sector. Its range of Switch Gear products includes MV&LV Switch Gears, MV Metal Clad Switch Gear Cubicles, MV Pad Mounted Transformers, Kiosk Type Compact Substations, LV Distribution Panels, PFI Plants, Motor Control Centers, and Bus Tie Ducts.

Major customers of the Company's Switch Gear products include WAPDA electricity utilities and various sectors within the private sector, such as manufacturing and construction industries. In response to specific demand from K-Electric, the Company has developed a cost-effective 500 KVA pad-mounted unit equipped with Arc Stranger Switches to address the market needs in Karachi. Additionally, customized Vacuum Circuit Breakers (VCBs) from LS Electric Korea have been developed for the National Transmission and Dispatch Company (NTDC), with testing conducted at the prestigious 'KERI' lab in Korea. The VCBs underwent successful type testing in compliance with NTDC specifications and relevant international IEC standards.

With the increasing demand for electricity driven by domestic and industrial needs, there is a corresponding need for the augmentation of electricity Transmission & Distribution (T&D) infrastructure. As a result, the demand for switch gear products is expected to grow. The Company, equipped with state-of-the-art manufacturing and testing facilities, is strategically positioned to capture a significant market share in response to this growing demand.

EPC CONTRACTING

Formally established in 2006, PEL's EPC Division specializes in delivering bespoke solutions across various domains:

- Establishing 132 and 220 KV Grid Stations for Power Utility Companies.
- Constructing 132 and 11 KV Substations for commercial and industrial clients to integrate Private Captive Power Generation Plants into the utility network, facilitating the sale of surplus power to utility companies.
- Providing electrification services for housing projects and industrial parks.

With the emergence of CPEC developments and a surge in the local construction industry, the EPC business anticipates significant growth opportunities. The Company is primed to capitalize on these prospects within this sector.

Adapting to evolving business dynamics, the Company has revised its EPC business strategy in response to extended working capital cycles and reduced margins in the current economic landscape. A deliberate effort has been made to streamline the EPC business scope to manage working capital deployment effectively, redirecting resources towards the Company's trusted manufacturing ventures.

GEOGRAPHICAL PRESENCE

PEL DEALER/SERVICE CENTER NETWORK

Our nationwide Dealer and Service Centre Network provides us access to a wide range of customers and enables us to provide quality after sales services.

Khyber Pakhtunkhwa

Population	12%
Dealers	208
Sales Offices	2
Service Centres	2
ASCs	113

Balochistan

Population	6%
Dealers	27
Sales Offices	1
Service Centres	1
ASCs	6

Punjab

Population	61%
Dealers	1,021
Sales Offices	13
Service Centres	12
ASCs	490

Sindh

Population	21%
Dealers	295
Sales Offices	3
Service Centres	5
ASCs	101

Summary

Dealers	1,551
Sales Offices	19
Service Centres	20
ASCs	710

Sales Offices
Service Centers

INTERNATIONAL PRESENCE

PEL exports to customers and see potential in following countries and has continued focus on expanding presence in international market:

- Afghanistan
- Algeria
- Bahrain
- Benin
- Botswana
- Bulgaria
- Burkina Faso
- Burundi
- Congo
- Cote d' Ivory
- Egypt
- Germany
- Ghana
- Greece
- Guinea
- Iraq
- Jordan
- Kenya
- Kuwait
- Libya
- Macedonia
- Malaysia
- Mozambique
- Namibia
- Nigeria
- Oman
- Qatar
- Rwanda
- Saudi Arabia
- South Africa
- South Sudan
- Eswatini
- Tajikistan
- Tanzania
- Togo
- UAE
- USA
- Uganda
- Uzbekistan
- Yemen

PEL'S JOURNEY THROUGH TIME

1956

Incorporation of Pak Elektron Limited.

1958

Start of Commercial Production of Distribution Transformers and Switch Gears in Technical Collaboration with AEG Germany.

1981

Manufacturing of Air Conditioners with assistance of Fujitsu Japan.

1987

Manufacturing of Refrigerators and Deep Freezers in Technical Collaboration with IAR-SILTAL and ARISTON of Italy.

1988

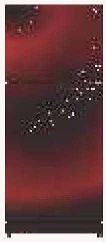
Listing with all Stock Exchanges in Pakistan.

2012

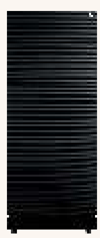
Launch of new Arctic Series Refrigerator with new aesthetics.

2014

Launching of New Glass Door Refrigerator with new aesthetics.



2015



Launching of Glass Door Mirror Series.

2016

Launching of Inverter Refrigerator and Air Conditioner Series. Successful Short Circuit Testing of PEL Green Transformer.

2017

Commencement of Water Dispenser Production. Launching of 'Invert-o-Cool' Air Conditioners, 'Arctic Premium Plus' Deep Freezers and 'Convection Series' Microwave Ovens.

Started Production of Energy Meters under the License from ABB USA.

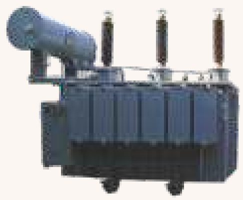
1992

1994

Quality Management System Certification for Energy Meter ISO 9001 by SGS.

Launching of new Crystal Series Refrigerator under Technical Collaboration of Danfoss, Germany.

2000



2004

Acquired Technology from GANZ, Hungry to Produce Power Transformers.

Launching of New Desire Series Refrigerator Prequalification with Saudi Electrical Company – SEC.

2011

Launch of 4K Coloron LED Smart TV Android 6.0 Marshmallow powered by the massively successful Android with high resolution.

2018

2019

Launch of Semi Automatic Washing Machines with Fit-Wash Technology.

Launching of Vertical Freezers in different models and sizes with separate storage compartments and deep temperature upto -30°C.

2021

2022

Launching of an elegant refrigerator design 'PRISM Series'. Five Air Conditioners models with 'GEN Mode' launched in Supper T3 Pro and Saver.

Launching Microwave Oven Digital Model 'PMO 26 CHEF' with grill function and 'PMO 30 Convection' with rotisserie function. Introduced new model '24K Alpine' in floor standing air conditioners category.

2023

CORPORATE INFORMATION

Board of Directors

Mr. M. Naseem Saigol *Chairperson*	Non-Executive Director
Mr. Muhammad Murad Saigol *Chief Executive Officer*	Executive Director
Mr. Muhammad Zeid Yousuf Saigol	Executive Director
Syed Manzar Hassan	Execuitve Director
Mr. Anjum Nisar	Non-Executive Director
Ms. Sadaf Kashif	Independent, Non-Executive Director
Mr. Muhammad Kamran Saleem	Independent, Non-Executive Director
Mr. Shahid Iqbal Choudhry	Non-Executive Director (nominated by NBP)

Audit Committee

Mr. Muhammad Kamran Saleem	Chairperson
Mr. M. Naseem Saigol	Member
Syed Manzar Hassan	Member
Ms. Sadaf Kashif	Member

Human Resources and Remuneration Committee

Mr. Muhammad Kamran Saleem	Chairperson
Syed Manzar Hassan	Member
Ms. Sadaf Kashif	Member

Company Secretary

Muhammad Omer Farooq

Chief Financial Officer

Syed Manzar Hassan

Auditors

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

Legal Advisors

Hassan & Hassan Advocates

Shariah Advisor

Mufti Altaf Ahmad

Shares Registrar

Corplink (Private) Limited
Wings Arcade,
1-K, Commercial Model Town,
Lahore
T: +92 42 35916714
F: +92 42 35869037
E: shares@corplink.com.pk

Company Incorporation No.

0000802

National Tax No. [NTN].

2011386-2

Status of Company

Public Interest Company

Stock Exchange Symbol

PAEL

Bankers

Albaraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami (Pakistan) Limited
Bank Makramah Limited
Faysal Bank Limited
First Habib Modaraba
Habib Bank Limited – Islamic Banking
MCB Bank Limited
National Bank Limited
OLP Modaraba
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Pak Libya Holding company (Private) Limited
Pak Oman Investment Company Limited
Samba Bank Limited
Saudi Pak Industrial and Agriculture Investment Company Limited
Silk Bank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

17-Aziz Avenue, Canal bank,
Gulberg V, Lahore
T: +92 42 35718274-6
F: +92 42 35762707
E: shares@saigols.com

Islamabad Office

Office no. 301, 3rd Floor,
Green Trust Tower,
Blue Area, Islamabad
T: +92 51 2824542, 2828941

Karachi Office

Kohinoor Building,
25 West Wharf Road,
Karachi
T: +92 21 32200951-4

Manufacturing Unit I

14 KM Ferozepur Road
Lahore
T: +92 42 35920151-9

Manufacturing Unit II

34 KM Ferozepur Road
Keath Village, Lahore
T: +92 42 35935151-2

Sales Offices

1. 14-KM Ferozepur Road, Lahore.
2. 174/19, Block 7, Tehsil Road, Sahiwal.
3. Kohinoor Industries Limited, College Road, Madina Town, Faisalabad.
4. Al Raheem Arcade, National Market, Satellite Town, Rawalpindi.
5. Plot No. 6, Small Industrial Area, Lahore Road Bypass, Sargodha.
6. 94-A, Lala Zar Housing Scheme, Burewala.
7. Al Mashriq Field Processing Plant, Bypass Road, 0.5 KM Thali Chowk, New Punjnad Tractor Showroom, Rahim Yar Khan.
8. Plot no. 96, Phase 1, Garden Town, Multan Road, DG Khan.
9. 51-A, Trust Colony, opp. Nawab Studio, Bahawalpur.
10. Abdullah Service Center Mor, near Nadra Office, GT Road, Gujrat.
11. Mubarik Palace, Garden Town, Butter Road, near Rescue 1122, Daska Road, Sialkot.
12. Plot no. A-52-6, Nizamabad near Chungi No. 9, Chah Usmani Wala, Multan.
13. Plot no. 2-C-1, Street 1, Session Court Road, near Punjab College of Commerce, Gujranwala.
14. 309-Hashoo Centre, Abdullah Haroon Road, Karachi.
15. 5-A, Block-E, Unit-06, Latif Abad, Hyderabad.
16. Bismillah Apartments, near PTCL Exchange, Govt Girls Degree College Road, Sukkur.
17. Al Syed Godown, Air Port Road, Quetta.
18. Plot no. 5 , opp. Royal Marriage Hall, Zakori Town, Darabun Road, Dera Ismail Khan.
19. Plot no. 44, Street 6, Gulshan Iqbal Town, Arbab Road Stop, University Road, Peshawar

Service Centres

1. 14-KM Ferozepur Road, Lahore.
2. 143/4, Main Bazar Begum Pura, near UET, Lahore.
3. Plot no. A-52-6, Nizamabad near Chungi No. 9, Chah Usmani Wala, Multan.
4. Kohinoor Industries Limited, College Road, Madina Town, Faisalabad.
5. 174/19, Block 7, Tehsil Road, Sahiwal.
6. 51-A, Trust Colony, opp. Nawab Studio, Bahawalpur.
7. Al Mashriq Field Processing Plant, Bypass Road, 0.5 KM Thali Chowk, New Punjnad Tractor Showroom, Rahim Yar Khan.
8. Plot No. 6, Small Industrial Area, Lahore Road Bypass, Sargodha.
9. Plot no. 2-C-1, Street 1, Session Court Road, near Punjab College of Commerce, Gujranwala.
10. Mubarik Palace, Garden Town, Butter Road, near Rescue 1122, Daska Road, Sialkot.
11. Abdullah Service Centre Mor, near Nadra Office, GT Road, Gujrat.
12. 85-C/2, Block C, Satellite Town, Rawalpindi.
13. C-145, Block 4, KAECHS, Karachi.
14. B-73/1, Block 4A, Gulshan-e-Iqbal near Bilal Masjid, Karachi
15. Plot no. 517, Sector 35-A, near The Educators, Zaman Town, Korangi no. 4, Karachi.
16. 5-A, Block-E, Unit-06, Latif Abad, Hyderabad.
17. A-115, Street 2, Sindh Cooperative Housing Society, Airport Road, Sukkur.
18. Al Syed Godown, Air Port Road, Quetta.
19. Plot no. 44, Street 6, Gulshan Iqbal Town, Arbab Road Stop, University Road, Peshawar.
20. Plot no. 5 , opp. Royal Marriage Hall, Zakori Town, Darabun Road, Dera Ismail Khan.

OUR VISION

To excel in providing engineering goods and services through continuous improvement.

OUR MISSION

To provide quality products and services to the complete satisfaction of our customers and maximize returns for all stakeholders through optimal use of resources.

To focus on personal development of our human resource to meet future challenges.

To promote good governance, corporate values and a safe working environment with a strong sense of social responsibility.

ETHICS AND BUSINESS PRACTICES

As a cornerstone of the nation's industrial landscape, PEL stands tall as a leader in the manufacturing and sales of electrical goods and home appliances. Our journey is not merely about commercial success but is deeply rooted in the ethos of ethical responsibility and principled conduct. We believe that our operations must reflect not only profitability but also a commitment to integrity, honesty, and fairness. This Statement of Ethics and Business Practices encapsulates our unwavering dedication to upholding the highest standards of conduct and serves as a testament to our enduring commitment to excellence.

Commitment to Ethical Conduct

Ethics is the guiding light that illuminates every decision and action at PEL. As stewards of this esteemed organization, we, the directors and employees, pledge allegiance to a code of conduct that transcends mere compliance with laws and regulations. Our commitment extends to embodying the very essence of ethical leadership, where honesty, integrity, and fairness are not just ideals but lived principles that govern our every interaction, both within and outside the company.

Prioritizing Safety and Reliability

The heartbeat of PEL echoes with a resolute commitment to the safety and well-being of our workforce and the reliability of our operations. In our relentless pursuit of excellence, we understand that a safe workplace is not merely a regulatory requirement but a moral imperative. Thus, we spare no effort in ensuring the implementation of stringent safety protocols and fostering a culture where safety is not just a priority but a way of life. Our commitment to reliability extends beyond our premises to the seamless operation of our power complex, guaranteeing uninterrupted service to our customers.

Customer Satisfaction and Excellence

At the heart of our business philosophy lies a simple yet profound truth: our success is intrinsically linked to the satisfaction and success of our customers. Guided by this principle, we pledge to deliver on our promises with unwavering dedication and unparalleled excellence. From the design and manufacturing of our products to the delivery of exceptional customer service, we are driven by a relentless pursuit of perfection. Our aim is not just to meet customer expectations but to surpass them, setting new benchmarks of quality and reliability in the industry.

Valuing Our Employees

Our greatest asset at PEL is not our state-of-the-art infrastructure or cutting-edge technology but our people. We recognize the unique worth of each individual within our organization and are committed to nurturing a work environment where every voice is heard, and every contribution is valued. Through initiatives aimed at personal and professional development, we empower our employees to reach their full potential and grow alongside the company. Moreover, we understand that a culture of inclusivity, respect, and fairness is essential for fostering a sense of belonging and driving organizational success.

Promoting Teamwork and Collaboration

In the tapestry of PEL's success story, teamwork and collaboration form the vibrant threads that bind us together. We believe that the collective wisdom of our diverse workforce is the key to unlocking innovation and driving sustainable growth. Therefore, we actively promote a culture of collaboration, where individuals are encouraged to share ideas, leverage each other's strengths, and work towards common goals. By harnessing the power of collaboration, we not only enhance productivity and efficiency but also foster a sense of camaraderie and unity within our team.

Community Engagement and Responsibility

As a responsible corporate citizen, we recognize our duty to give back to the communities that support us. At PEL, we are committed to making a positive impact on society by actively engaging in initiatives that promote social welfare, environmental sustainability, and economic development. Through strategic partnerships and community outreach programs, we seek to address pressing issues and contribute to the overall well-being of society. Moreover, we understand that fostering mutual trust and collaboration between the corporate sector and the community is essential for building a resilient and inclusive society.

In essence, this Statement of Ethics and Business Practices encapsulates the core values and guiding principles that define PEL's identity and drive our continued success. As we embark on the journey ahead, we remain steadfast in our commitment to ethical conduct, excellence, and responsibility, ensuring that every action we take is a testament to our enduring commitment to serve our nation with integrity and dedication.

CODE OF CONDUCT

PEL stands as a beacon of integrity and ethical conduct in the realm of business, firmly committed to upholding the highest standards of ethics and risk management. Our dedication is not merely to protect the company's assets and shareholder investments but also to safeguard against reputational and financial risks. With an unwavering resolve, we ensure compliance with all applicable laws, rules, and regulations while adhering to the principles of transparency, fairness, and corporate responsibility.

Ethical Conduct and Compliance

Upholding high ethical standards, emphasizing transparency, integrity, and compliance with laws and regulations.

Corporate Responsibility

Prioritizing corporate responsibility, aiming to fulfill ethical, economic, ecological, and social obligations.

Risk Mitigation and Misconduct Prevention

Implementing measures to mitigate risks and prevent misconduct, including collusion, coercion, corruption, and fraud.

Collusive Practices

Strictly prohibiting collusive practices, such as agreements with competitors to influence actions improperly.

Coercive Practices

Condemning coercive practices that involve impairing or threatening to impair any person or property.

Corrupt Practices

Prohibiting corruption in any form, including offering or receiving anything of value to influence actions improperly.

Fraudulent Practices

Condemning fraudulent practices, including misrepresentation and deception for financial or other benefits.

Breach of Secrecy and Fiduciary Obligations

Emphasizing confidentiality and prohibiting sharing internal information or using it for personal gain.

Misuse of IT Related Resources and Facilities

Requiring responsible use of IT resources and facilities and prohibiting unauthorized disclosure of confidential information.

Workplace Harassment

Maintaining a zero-tolerance policy towards workplace harassment and expecting employees to report incidents promptly.

Substance Abuse

Prohibiting substance abuse in the workplace, ensuring a safe and productive environment.

Other Engagements while on Job

Requiring prior approval for outside engagements to avoid conflicts of interest.

Safeguarding Company Assets

Holding employees responsible for the proper use and safeguarding of company assets.

Gifts, Hospitality, and Allied Expenses

Maintaining strict guidelines for gifts, hospitality, and expenses to ensure transparency and compliance.

Agents, Distributors, Contractors, Suppliers, and Joint Venture Partners

Expecting ethical conduct from business partners and holding them accountable for compliance with standards.

Dealing with Public Officials

Prohibiting bribery and corruption in dealings with public officials, ensuring transparency and legality.

Due Diligence of Employees

Conducting due diligence on employees to ensure alignment with company values and standards.

Charitable Donations

Supporting charitable activities in a transparent and documented manner, aligned with company objectives.

Political Activities

Maintaining political neutrality and prohibiting the use of company resources for political activities.

Child and Forced Labor

Strictly prohibiting child labor and forced labor in all operations.

Health and Safety

Prioritizing the health and safety of employees, aiming for zero work-related accidents.

Theft, Dishonesty, Negligence, and Inefficiency

Maintaining a zero-tolerance policy towards unethical behavior and holding employees accountable.

Improper Behavior at Work and Habitual Absence

Expecting professional conduct and punctuality from employees, with zero tolerance for improper behavior or absenteeism.

Quality and Product Safety

Committing to delivering high-quality and safe products, ensuring compliance with quality standards.

In conclusion, PEL's Code of Conduct reflects our unwavering commitment to ethical conduct, integrity, and accountability in all aspects of our business operations. By upholding these principles, we strive to maintain the trust and confidence of our stakeholders while contributing to the well-being of society and the environment.

CULTURE AND VALUES

At PEL, our organizational culture is the cornerstone of our identity, deeply rooted in a shared set of values and beliefs that resonate throughout the company. This culture is not only upheld but also reinforced by our strategic direction and organizational structure. It forms the framework within which all our actions and decisions are made, guiding us towards our collective goals. Our culture is a reflection of our core values, shaping our interactions, processes, and overall approach to business. It fosters a cohesive environment where every individual is aligned with our mission and committed to upholding the principles that define us as an organization.

Ethical Responsibility

At PEL, we are dedicated to upholding the highest standards of ethics and integrity in all our business activities, ensuring that we conduct ourselves with honesty, fairness, and accountability.

Transparency and Integrity

Transparency and integrity are at the core of how we operate at PEL. We believe in conducting our business operations openly and honestly, fostering trust with our stakeholders and ensuring that our actions align with our values.

Corporate Citizenship

As a corporate citizen, PEL is committed to fulfilling its ethical, economic, ecological, and social responsibilities. We recognize the importance of contributing positively to out communities and strive to make a meaningful difference through our actions.

Safety and Reliability

Safety and reliability are paramount at PEL. We prioritize the safety of our operations and the reliability of our products and services, meeting the highest standards of quality and performance to safeguard the well-being of our customers and employees.

Customer Satisfaction

At PEL, customer satisfaction is our top priority. We are dedicated to delivering on our promises and exceeding the expectations of our customers, building long-lasting relationships based on trust, reliability, and exceptional service.

Employee Well-being

We value the safety, security, and well-being of our employees at PEL. We provide a supportive work environment that fosters personal and professional growth, prioritizing the health, happiness, and satisfaction of our team members.

Compliance and Discipline

PEL operates with strict adherence to laws, regulations, and company policies. We hold ourselves and our employees accountable for their actions, ensuring that we maintain the highest standards of compliance and discipline at all times.

Progress and Growth

At PEL, we embrace progress and growth as essential elements of our organizational culture. We are committed to continuous improvement, innovation, and learning, empowering our employees to thrive and succeed in a dynamic business environment.

Teamwork and Collaboration

Collaboration and teamwork are fundamental to our success at PEL. We believe in harnessing the collective talents and strengths of our diverse workforce to achieve common goals, fostering a culture of collaboration, mutual respect, and shared success.

Community Engagement

PEL is deeply committed to enhancing the quality of life our communities. We actively engage with local stakeholders, support community initiatives, and strive to build mutual trust and understanding between the corporate sector and the community.

Our culture is a reflection of our core values, shaping our interactions, processes, and overall approach to business.

GROUP STRUCTURE

Our Group Vision

Pakistan is an economy in its nascent stage. It has tremendous growth potential as it is the 6th most populous country. The country has a dire need for energy infrastructure to develop economically. By 2030, with a conservative GDP growth the country will need to double its output of energy. In addition, per capita income has almost reached the 1500 dollar mark which is giving rise to an emerging middle class. In order to continue to serve Pakistan, the Saigol family has strategically decided to collaborate on energy generation and energy infrastructural development with the Government of Pakistan. In addition, the Saigol Group would like to capitalise on PEL- over six decades old renowned brand- in the consumer segment market, which has a potential to grow exponentially.

Pak Elektron Limited [PEL]

PEL contributes in your lives every day, by providing you not just appliances for a better lifestyle, but with Power products like transformers, switch gears and energy meters. We are the pioneers of electrical manufacturing in Pakistan and we are here to make a difference in your lives whether it is through taking care of your home, your lifestyle, making your day to day activities easier or by helping you save energy.

Kohinoor Industries Limited

[Leasing Out Property and Machinery | Associated Company]

Kohinoor Industries Limited is engaged in leasing out its machinery and building under operating lease arrangements. Located at Kohinoor Nagar, College Road, Madina Town, Faisalabad. Kohinoor Industries Limited is PEL's associated company by virtue of investment in ordinary shares by PEL and common directorship.

The Four Seasons/The Meadows

[Leasing Out Property and Machinery | Associated Company]

Kohinoor Industries Limited is engaged in leasing out its machinery and building under operating lease arrangements. Located at Kohinoor Nagar, College Road, Madina Town, Faisalabad. Kohinoor Industries Limited is PEL's associated company by virtue of investment in ordinary shares by PEL and common directorship.

Saritow Spinning Mills Limited

[Textile Spinning | Associated Company]

Saritow Spinning Mills is engaged in manufacturing of yarn. Facilitated with the most modern and efficient Japanese and European Machinery, its knitted yarn is renowned in Far east and Europe for its finest quality. Saritow Spinning Mills Limited is PEL's associated company by virtue of common directorship.

Kohinoor Energy Limited

[Power Generation | Associated Company]

Kohinoor Energy Limited was incorporated in April 1994 with an objective to take part in the prosperity of the country through power generation. KEL having paid-up capital of Rupees 1,695 million and is a joint venture of Saigols Group of Companies (a well-known multi-industrial group of Pakistan) and Toyota Tsusho Corporation (an eminent consortium of multi-industrial undertakings of Japan.) KEL is situated at 35-KM Link Manga Raiwind Road Lahore. It is one of the pioneer projects of Independent Power Producers in Pakistan. The principle activities of the Company are to own, operate and maintain a furnace oil power station with the net capacity of 124 MW (gross capacity 131.44 MW). WAPDA is the sole customer of KEL. Kohinoor Energy Limited is PEL's associated company by virtue of common directorship.

Kohinoor Power Company Limited

[Leasing Out Property and Machinery | Associated Company]

The Kohinoor Power Company Limited, formed in 1991 is the first captive unit to commission in Pakistan. KPC started its production with two Nigatta engines of 5 MW each in the beginning. Third Nigatta engine was added in 1993. Subsequently, the company amended its memorandum of association to include in its objects, leasing out of its machinery and building. Now company leased its engine and building under operating lease agreements.

All Group Companies are incorporated in Pakistan

HUMAN CAPITAL

Human Capital is unequivocally recognized as one of the most invaluable resources at PEL, playing a pivotal role in driving the growth and success of the organization. With a profound understanding of its significance, PEL places paramount importance on nurturing and harnessing the potential of its human capital. This strategic focus stems from the realization that investing in human capital is fundamental to achieving organizational excellence and sustaining a competitive edge in the market.

At PEL, we are committed to attracting and retaining top talent, recognizing that our employees are the driving force behind our achievements. To this end, we have implemented robust strategies aimed at not only acquiring top talent but also fostering their continuous development and growth. Our comprehensive approach encompasses various aspects, including recruitment, employee development programs, workplace safety, and competitive compensation packages, all geared towards creating an environment where employees can thrive and excel.

Succession Planning

Succession planning stands as a cornerstone of our talent management strategy at PEL. We understand the importance of identifying and nurturing future leaders within the organization to ensure continuity and sustainability. Our succession plan is meticulously designed to identify high-potential individuals, assess their performance, and provide them with the necessary training and development opportunities to groom them for future leadership roles. By proactively grooming our talent pool, we aim to mitigate risks associated with leadership gaps and ensure a seamless transition of responsibilities.

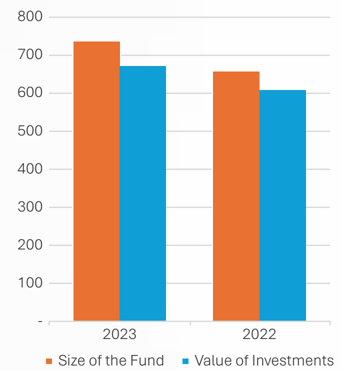
Central to our succession planning efforts is the integration of performance evaluation mechanisms and tailored training programs. Through regular performance assessments, we identify individuals with the potential to assume leadership positions and tailor their development plans accordingly. These plans are crafted to address specific skill gaps and developmental needs, equipping our employees with the requisite competencies to thrive in their current roles and prepare for future leadership responsibilities.

Moreover, our succession planning framework ensures the availability of competent personnel across all departments, thereby safeguarding operational continuity and resilience. By proactively identifying and developing talent from within, we foster a culture of internal mobility and career progression, empowering employees to chart their career paths within the organization. This not only enhances employee engagement and retention but also strengthens our talent pipeline, enabling us to respond effectively to evolving business needs and market dynamics.

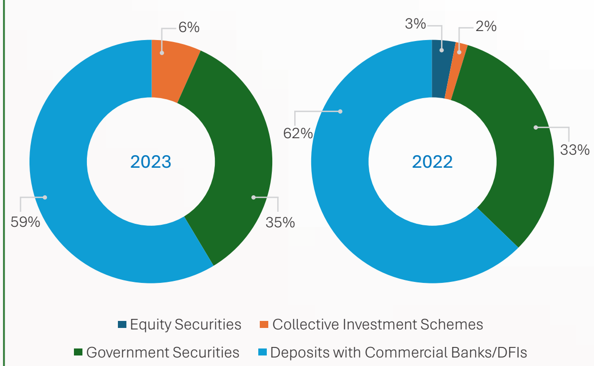
In essence, our comprehensive succession planning initiative underscores our unwavering commitment to nurturing talent, driving organizational agility, and sustaining long-term success. By investing in the development of our human capital, we position ourselves for continued growth and excellence, ensuring that PEL remains a preferred employer and a leader in the industry.

Retirement Benefits

PEL has put in place a retirement benefit plan for its employees, in the form of an approved funded contributory provident fund 'Pak Elektron Limited Employees Provident Fund Trust". All employees who have completed a minimum qualifying period of service as defined under the trust are eligible. Equal monthly contributions are made by PEL and employees in accordance with the scheme, to cover the obligation. Size of the fund as 31 December 2023 stood at Rs. 735 million. Investments of the fund at the close of 2023 are valued at 669 million



Size of Provident Fund Vs Value of Investments



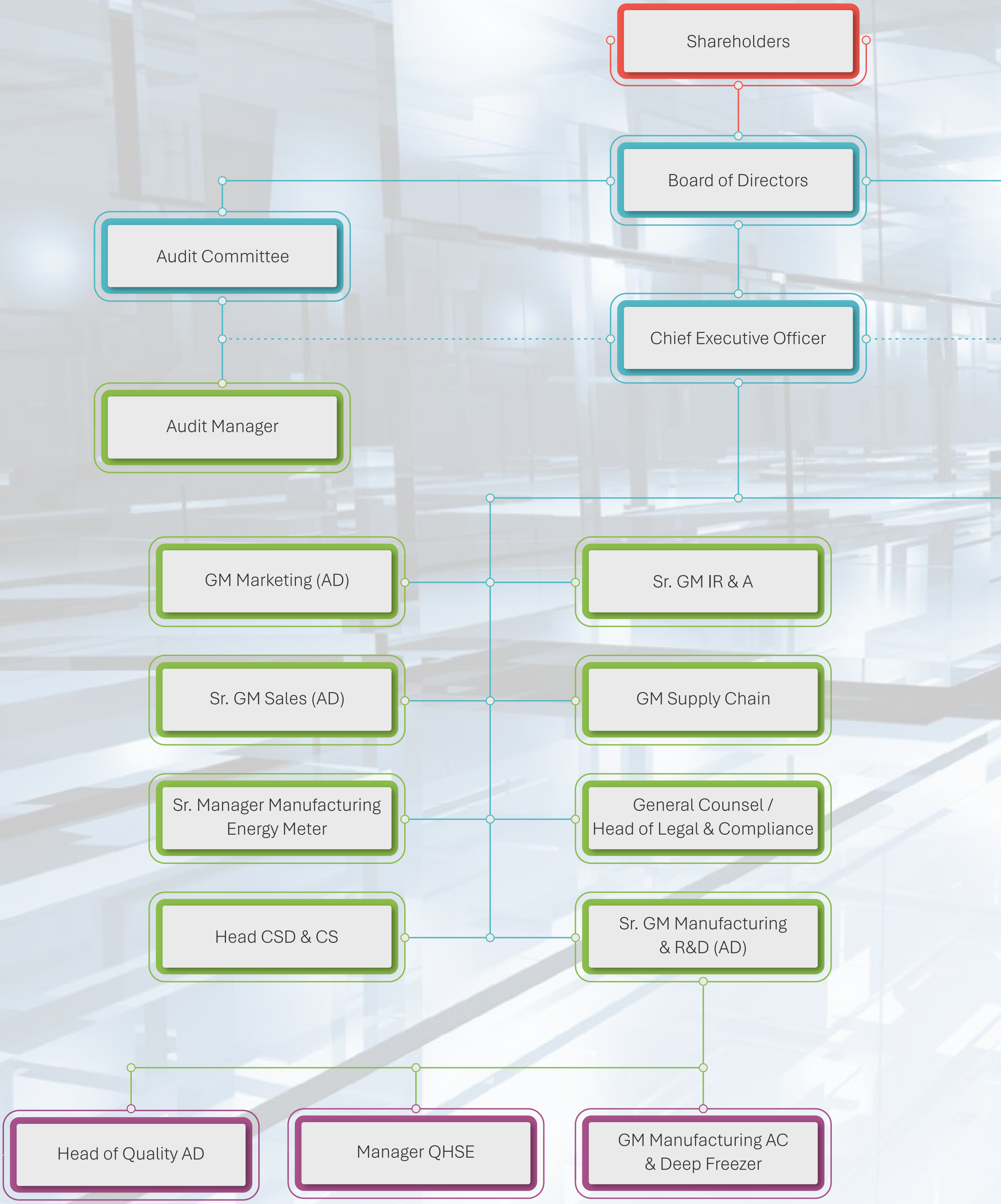
Mix of Investments

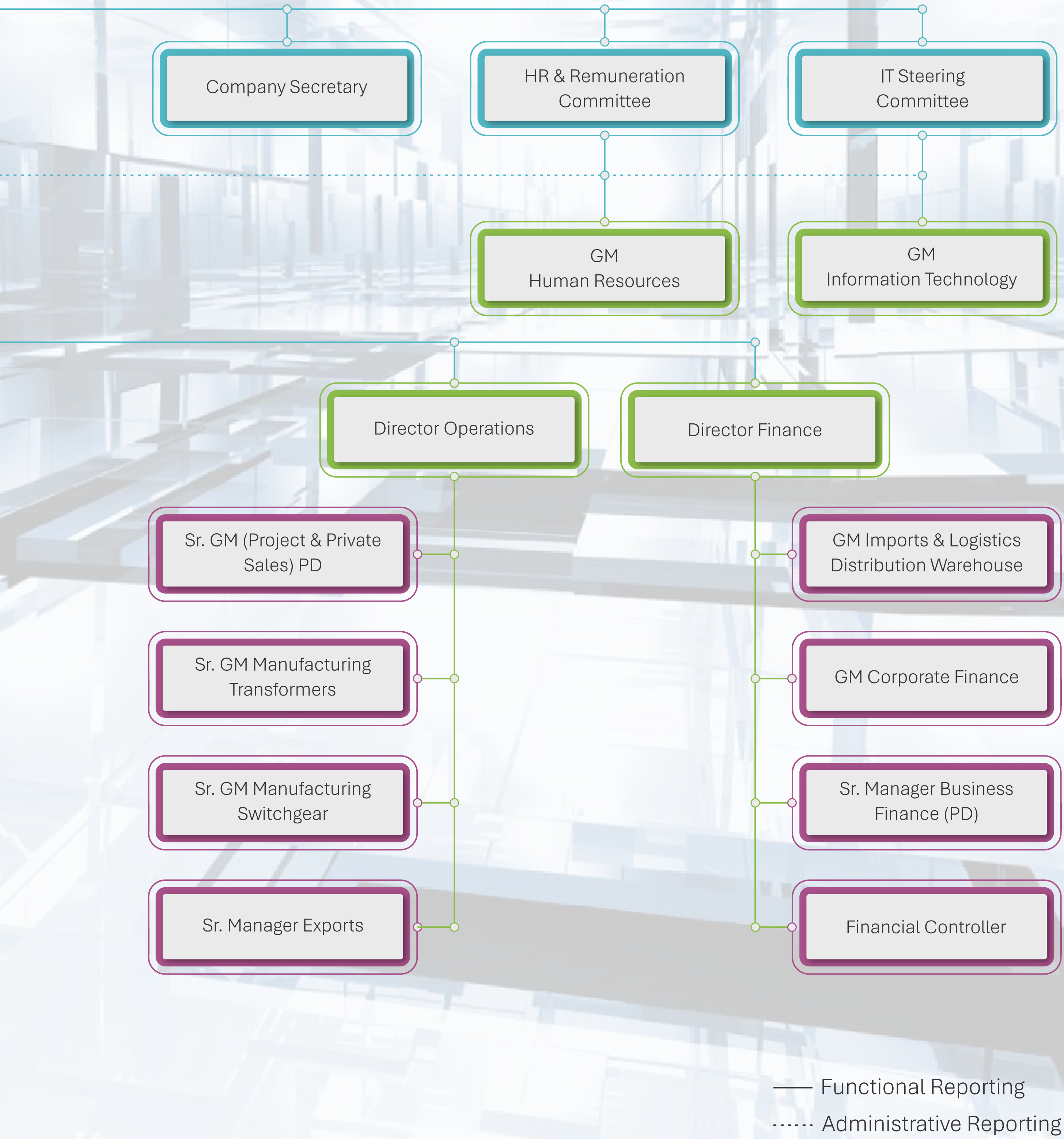
WORKFORCE
4238 Employees

FACTORY
3793 Employees

HEAD OFFICE
445 Employees

ORGANIZATIONAL CHART




Company Secretary
HR & Remuneration Committee
IT Steering Committee
GM Human Resources
GM Information Technology
Director Operations
Director Finance
Sr. GM (Project & Private Sales) PD
Sr. GM Manufacturing Transformers
Sr. GM Manufacturing Switchgear
Sr. Manager Exports
GM Imports & Logistics Distribution Warehouse
GM Corporate Finance
Sr. Manager Business Finance (PD)
Financial Controller
Functional Reporting
Administrative Reporting

OUR BUSINESS MODEL

Our business model is the hub of everything we do. It defines risk and opportunities in our external environment, inputs we consume, activities we carry on, the relationships we depend on and the outputs and outcomes we desire to achieve while creating sustainable value for our stakeholders in short, medium and long-term.

Strategic Objectives

- Product innovation and development
- Development of human capital
- Occupational health and safety of employees
- Maintaining supplier relationships
- Maintaining customer relationships
- Being a socially responsible corporate entity
- Have sufficient liquidity to meet liabilities when due
- Diversification
- Enhance production facilities and process to improve efficiency
- Increase shareholders' wealth
- Maintain industry leadership and market presence

Strong Governance Oversight

PEL is committed to highest standards of governance, ethics and integrity.

PEL embraces best in class governance systems and practices to ensure sustainable value creation and serve as market leader.

PEL Board is diverse in skills and experience and around 2/3rd of Board comprises independent and/or non- executive directors.

Capitals

Financial

Rs. 41,425mn Equity	Rs. 3,648mn Long Term Debt	Rs. 12,326mn Short Term Debt

Manufactured

2 Manufacturing Facilities	19 Sales Offices Nation-wide	20 Service Centres Nation-wide

Human

4,238 Employees	People Centered Culture	Training and Development	Strong Governance

Natural

Materials	Water
Energy	Eco-system Services

Intellectual

Brand Equity	Processes and Procedures	Knowledge and Know-How	Corporate Reputation

Social and Relationship

Relations with local community, customers, suppliers, and wider stakeholders.	Sustainability leadership

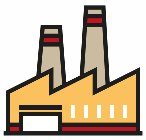
Gross Revenue	–	Sales tax and Discounts	=	Net Revenue	–	Cost of Sales	=	Gross Profit
26.81% to Rs. 48.32bn		29.34% to Rs. 9.64bn		26.15% to Rs. 38.69bn		34.46% to Rs. 27.58bn		7.79% to Rs. 11.10bn

Value Addition and Creation

Continuous optimization of manufacturing facilities and processes

Broadening opportunities through quality products with nation-wide sales/distribution network

Working with customers to enhance product utilization and farm productivity



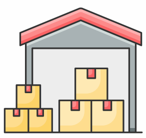
Manufacturing

We use capitals as input to manufacture Home Appliances and Electrical Equipment

PEL Products

Community Engagement

We work with our employees and local community. We strive to build trust in our company to enhance business and become trusted partner for stakeholders.

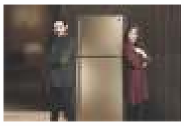


Distribution

Through nation-wide dealers network and self

Transportation

Through Company Fleet and Contracted logistics



Product Use

We serve our customers through a country-wide efficient after sales services network

Outcomes

Shareholders

Contributed Profits amounting Rs.1,325 million in this challenging era.

Employees

- Paid Rs. 2,971 million as salaries and wages.
- Provided extensive In-house, out soured on line trainings to enhance human resource capacity and workforce skills.
- A thriving culture for nourishing valuable human capital.

Environment

Protecting the environment by use of ECO friendly 'Green Gases'

Customers

Maintained a quality return to customers by delivering an articulate products.

Community

Spending on CSR initiatives to uplift the lives of community and contributing to basic public good.

Regulators

- Compliance with all the regulatory requirements.
- Rs. 9,271 million to Government exchequer.

− Operating and Financial Cost 1.59% to Rs. 7.90bn + Other Income 32.76% to Rs. 0.10bn = Profit before tax 40.70% to Rs. 3.30bn − Taxation 54.51% to Rs. 1.98bn = Profit after tax 24.13% to Rs. 1.33bn

POSITION WITHIN THE VALUE CHAIN

HOME APPLIANCES

RAW MATERIAL

- Compressors
- Condensers
- Coolants
- Motors
- Coppers
- Pipes
- Isocynate
- Evaporators
- Insulation materials

CONVERSION/MANUFACTURING

Raw Material and Components | Labour | Factory Overheads

FINAL PRODUCTS

- Refrigerators
- Deep Freezers
- Air Conditioners
- Microwave Ovens
- Water Dispensers
- LED Televisions

CUSTOMERS

General Public
Retailers
Wholesalers
Private/Corporate Customers

POWER DIVISION

RAW MATERIAL

- Copper Coils
- Silicon Steel Sheets
- Transformer Oil
- Magnet
- Cables
- CRGO Laminations

CONVERSION/MANUFACTURING

Raw Material and Components | Labour | Factory Overheads

FINAL PRODUCTS

- Power Transformers
- Distribution Transformers
- Energy Meters
- Switch Gears
- Grid Stations

CUSTOMERS

WAPDA DISCOs
Private/Corporate Customers

SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

Businesses are influenced by the external environment that they're in and all the situational factors that determine circumstances from day to day. It is because of this, that businesses need to keep a check and constantly analyze the environment within which they operate and respond to the changes accordingly. Some of the important factors that affect the Company's external environment are as follows:

Political

Description	Changes from Prior Year	PEL's Response
These factors determine the extent to which a government may influence the economy or a certain industry.	Political instability	The Company keeps a close eye on the political situation of the country including changes in regulations and business policies in order to be able to take timely decisions to avoid any unfavourable outcome on the Company's business.

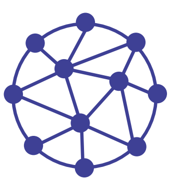
Economic

Description	Changes from Prior Year	PEL's Response
These factors are determinants of an economy's performance that directly impacts a business and have resonating long term effects.	Inflation Rupee depreciation Import restrictions High interest cost	The Company keeps a close watch on economic conditions including inflationary trends and foreign currency rates in order to be able to take timely decisions to prevent any negative impact while maximizing benefits of any opportunity that arises.

Social

Description	Changes from Prior Year	PEL's Response
These factors scrutinize the social environment of the market and gauge the demographic characteristics, norms, customs and values of the population within which the organization operates.	Customers have become technology intensive Decrease in per capita disposable income	The Company continuously monitors customer characteristics and any changes there in and marketing and product development plans are devised and modified accordingly.

Technological



Description	Changes from Prior Year	PEL's Response
These factors pertain to innovations in technology that may affect the operations of the industry and the market favourably or unfavourably. This refers to automation, research and development and the amount of technological awareness that a market possesses.	Energy efficient appliances have gained popularity Customers have become technology intensive	The Company recognizes the importance of consumer-driven product development, makes significant investments in research and development and technologies, and remains a technology forerunner and market leader in providing new products and services to meet the challenges and technology intensive needs of its customers.

Legal

Description	Changes from Prior Year	PEL's Response
These factors include laws, rules and regulations that organizations are required to abide by.	Finance Act, 2023 New IFRSs and amendments thereto.	The Company has a professional in-house legal team, the members of which are experts of their respective fields as well as has retained services of accounting and law firms to ensure that the Company remains compliant with all laws that are applicable.

Environmental

Description	Changes from Prior Year	PEL's Response
These factors include all those that influence or are determined by the surrounding environment.	Climate change Increase an average temperature.	Increase in average temperature in the country is expected to cause increase in demand for domestic appliances like Air Conditioners, Refrigerators, Deep Freezers and Water Dispensers. The Company has a proactive marketing team capable of making the most of this opportunity.

“Success is not measured by what we accomplish, but by the challenges we encounter, and the courage with which we maintain the struggle against overwhelming odds.”

-Orison Swett Marden

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

PEL has a large distribution network offering the appliances throughout the country. The Company's area sales offices with finished goods stores furnish supplies against orders by dealers/distributers. A country wide responsive after sales service network is also supporting Company's brand loyalty by efficient consumer after sales services.

Power division offers a range of quality electrical equipment for the state-owned power utilities, industries and private customers. PEL products are produced in accordance with globally accepted deigns accredited by laboratories of international repute.

Ongoing research and development process being Company's core objective supports its market expansion and brand equity.

Competition in the Industry

Home Appliances division's customer base consists of general consumers is wide. Various advertising campaigns and incentive schemes attract consumers. All of the key players spend substantial budget in these accounts. Effective communication of product features plays a key role in sales volume expansion in short run and building brand image in long run.

Quality of manufacturing and testing facility is considered a highly competitive edge in electrical equipment manufacturing industries. Further, products sample testing at internationally accredited laboratories is another advantage. PEL keeps investing in up-gradation of its manufacturing and testing facilities and also testing of its products from globally recognized labs.

Power of Suppliers

PEL's continuous and sustainable growth is also attributable to engaging globally renowned and dependable suppliers as business partners for supply of quality raw materials, industrial inputs, machinery, and equipment in addition to supply of debt for meeting working capital and other financial requirement.

Potential of New Entrants in the Industry

Due to low product penetration level of domestic appliances, there is a lot of room for new entrants to cater the expected future growth potential backed by rapid urbanization and growing life styles. However, new entrance may pose risk due to growing competitive environment, huge investment landscape, carrying uncertainty and technology disruption threats.

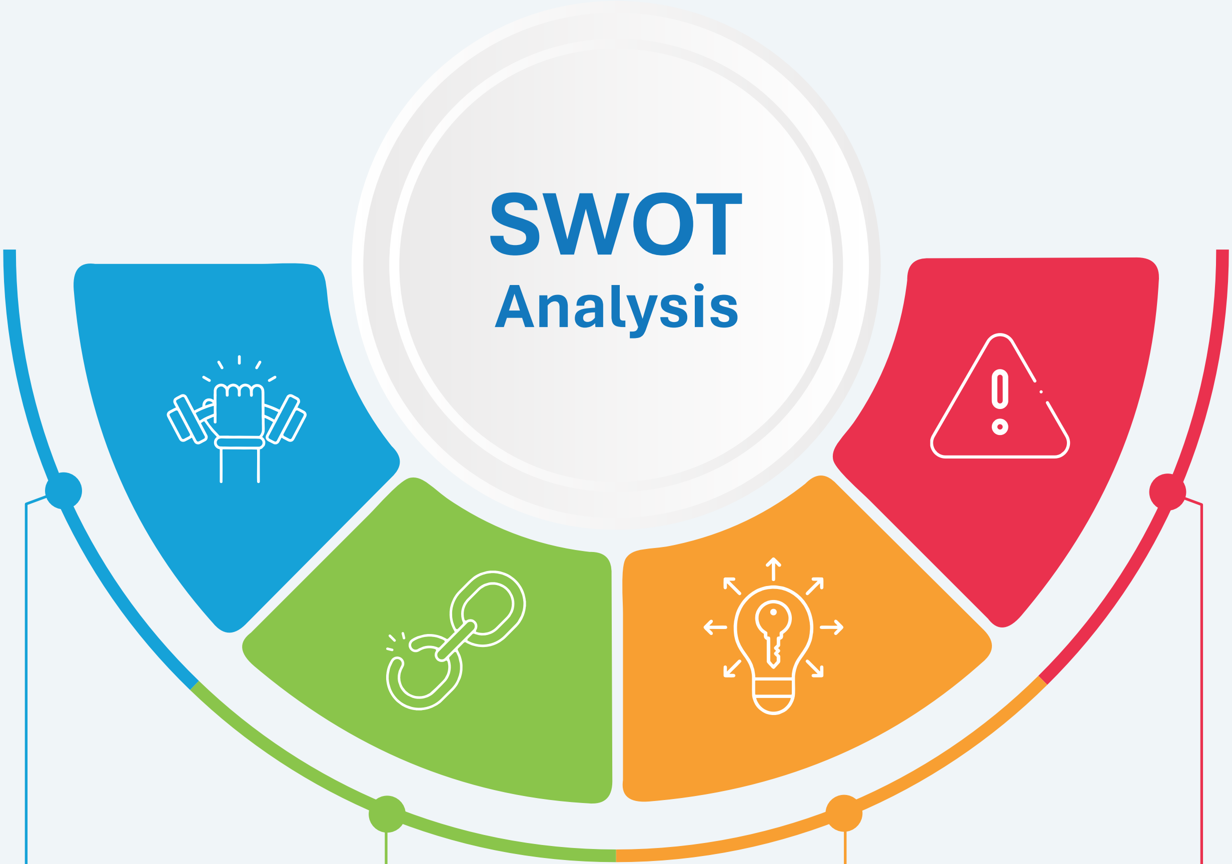
Electrical equipment manufacturing industry is quiet attractive with respect to its future expansions, as a lot of work on country's electricity distribution and metering network is required on fire fighting bases to overcome growing circular debt. However, product prototype approvals and production and testing facility testing and accreditation is a mandatory and time taking requirement. Potential risk for new entrants is the behaviour of global lenders being financial sponsors of WAPDA power utilities and procurement budgets are highly dependent on their support.

Threat of Substitute Products

There is no potential substitution risk for PEL products i.e. Domestic Appliances and Electrical and Metering Equipments. However, technological advancement resulting in technological disrupt and shift of demand is a future challenge against which the Company is well positioned to embrace all sorts of technological advancements.

Power of Customers

The Company has a strong customer relationship history of business with WAPDA distribution Companies. And also has earned a high level brand image in home appliances market. Company has developed a “loyal customer class” with its prolonged presence and huge size of satisfied customers.



STRENGTHS

- Product diversification
- Sufficient production capacity to absorb the increase in volumes
- Technical Collaboration with international reputed organizations
- Latest technologies
- Excellent labour skills to execute Power Division orders
- Focused research and development strategy
- Strong country wide dealers' network
- Strong, efficient and broad after sales network

WEAKNESSES

- The Company has high financial leverage
- Dependence on imported raw material and components

OPPORTUNITIES

- Government has plans to up grade existing electricity infra structure resulting into more orders for Power Division.
- Appliances market is showing growth.
- Local industry preferential protection in international tenders.

THREATS

- Availability of timely working capital
- Law and order situation and political disturbance in the country
- Dependence on WAPDA/DISCOs financial health
- Devaluation of Pak Rupee
- Rising interest rates
- Change in regulatory framework

OTHER INFORMATION

Effect of Seasonality on Business

Appliances Division's cooling products; refrigerators, air conditioners, water dispensers and deep freezers are season oriented products. The peak production and sales period is from April to August, while other products are produced and sold throughout the year. Power Division products are produced and sold throughout the year depending on ordering form WAPDA Discos.

Legislative and Regulatory Environment

Legal factors include current and impending legislation that may affect the industry in areas such as employment, competition, and health & safety. Companies are required to follow all the legal requirements that are applicable to the industry it operates in. PEL abides by all the applicable laws like Companies Act 2017, Income Tax Ordinance 2001, SECP Act, Code of Corporate Governance, laws related to labor, environment etc. Company has developed a check and balances to ensure compliance all statutory requirements. To achieve the objective company hires services of consultants and also has developed in house expertise as well.

Legitimate Needs, Interests of Key Stakeholders and Industry Trends

At PEL, we consider the legitimate needs and interests of our key stakeholders. Our key stakeholders includes customers, employees, shareholders, suppliers, regulators, and the wider community in which the business operates. Company management understands needs and interests of our shareholders and take adequate steps to build trust, loyalty and a positive reputation. Industry trends also play a crucial role in shaping our business strategy and operations and our leadership teams ensure that changes in market conditions, consumer behavior, technology, and regulatory requirements are properly addressed and embedded in our business processes.

Political Environment

Political factors pertain to the extent to which government policies and actions impact the economy, a specific industry and an organization especially for a company like PEL, with major supplies to state owned power utilities as decision making at WAPDA Discos is directly attributable to country political environment. As the major production inputs are imported, any change at global horizon directly effects production costs. At PEL, Company Management monitors imminent challenges and prioritizes its actions through appropriate resource allocation. Nonetheless, any development that has potential to materialize in future also remains under the radar for effective planning and formulation of alternatives..

Significant Events during the Year

During the year:

- PEL launched Microwave Oven Digital Model 'PMO 26 CHEF' with Grill Function and Blackish look and 'PMO 30 Convection' with rotisserie function for baking and cooking.
- The Company introduced, in Floor Standing Air Conditioners Category, a NEW Model '24K Alpine' and new AC model under the name 'Airy Series'
- The Company received Best Corporate Report Award for Annual Report 2022 securing 1st position in 'Engineering and Auto Sector' awarded by the Joint Committee of ICAP and ICMAP.
- The Pakistan Credit Rating Agency Limited, the country's leading credit rating agency, ranked company long term A+ (High Credit Quality) and short term A1 (strong capacity for timely repayment) with stable outlook.

Significant Changes from Prior Years

There are no significant changes from prior years regarding information disclosed in this section.

B

STRATEGY AND RESOURCE ALLOCATION

OBJECTIVES AND STRATEGIES

Strategic Decision Process

The Company has processes in practice which serve as a framework for setting the strategic direction of the Company by setting top level corporate objectives and targets. Our approach to strategic decision-making entails a methodical process of identifying, assessing, and choosing the optimal path to achieve our objectives.

The process is driven by the Company's Annual Plan which includes a Strategic Plan combined with the Business Plan. The Strategic Plan provides a framework for the Company's goals and intentions, while the Business Plan provides the necessary tools and processes to execute those goals.

The key components of our Annual Plan are:

- Market Summary
- TValue Proposition
- SWOT Summary
- Systems, Processes, People Highlights
- Key Assumptions
- Drivers of Growth
- Critical Success Factors
- KPIs, Metrics, Dashboards

The process of setting up the Annual Plan commences with a thorough analysis of both internal and external factors, aiming to grasp the current organizational landscape and anticipate forthcoming opportunities and challenges. This analysis serves as the foundation for crafting strategic objectives, delineating the desired outcomes and trajectory for the Company.

Subsequently, a range of alternative strategies is generated and meticulously evaluated, considering factors like feasibility, alignment with objectives, and potential risks and rewards. Upon selecting a strategy, it undergoes translation into actionable plans through detailed planning, resource allocation, and execution. Continuous monitoring and evaluation are integral throughout, enabling us to track progress, adapt to evolving circumstances, and ensure the effective realization of strategic objectives.

Our well-crafted Annual Plan provides enough direction so that each function with the Company can develop objectives and strategies that will align all go-to-market resources to support the Company's goals.

Objectives and Strategies

Our company's strategic objectives guide our approach to value creation and responsible business practices within the home appliances and electrical capital goods industry. We align our strategies with these objectives to ensure effective implementation and achievement of our goals.

Central to our strategy is a relentless pursuit of product innovation and development. Through extensive research and development efforts and efficient market research, we continuously enhance existing product features and aesthetics to meet evolving consumer demands. Furthermore, we are dedicated to nurturing our human capital by offering comprehensive technical and non-technical training programs at all organizational levels. This investment in our employees not only fosters personal and professional growth but also strengthens our overall capabilities and competitiveness.

Safety is of paramount importance in our operations, and we ensure a safe and congenial work environment through stringent safety policies and regular health and safety training sessions. By prioritizing the well-being of our employees, we mitigate risks and strive to maintain a healthy workforce. Additionally, our commitment to maintaining strong customer relationships is unwavering. We have established a nationwide sale/service center and dealer network to improve customer accessibility and satisfaction. Continuous focus on after-sales services and active monitoring of customer feedback allows us to address concerns promptly and effectively, enhancing overall customer experience.

As a socially responsible corporate entity, we actively engage in community initiatives, aligning with our objective of making a positive impact beyond business realms.

Financial prudence is another key aspect of our strategy. By closely monitoring cash flow and projecting short and long-term liquidity requirements, we ensure the availability of resources to meet our financial obligations as they arise.

Recognizing the importance of diversification for sustained growth, we continuously explore opportunities within and outside the appliances and power industry, adapting to changing market dynamics and expanding our portfolio.

To enhance production efficiencies, we remain abreast of the latest technological advancements, optimizing our facilities and processes to maintain our competitive edge.

Ultimately, our overarching goal is to increase shareholders' wealth by implementing strategic initiatives that drive growth and maximize value creation. Through planned and integrated marketing campaigns, alongside efforts to expand our customer base through our nationwide network, we aim to maintain industry leadership and market presence, solidifying our position as a trusted provider of home appliances and electrical capital goods. Our short, medium and long term strategic objectives, strategies in place to achieve those strategic objectives, KPIs monitored and their future relevance are as follows:

Strategic Objective			
Product innovation and development			
Strategy Improve existing product features and aesthetics through research and development and efficient market research.			
Resource Allocation	Manufactured Capital, Intellectual Capital, Financial Capital.	Nature	Short Term
KPIs monitored	Improved product features and aesthetics for existing products | No. of new models for existing products launched.	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective			
Development of human capital			
Strategy Technical and non-technical training programs for employees at all levels both internally and externally			
Resource Allocation	Human Capital, Intellectual Capital, Social and Relationship Capital.	Nature	Short Term
KPIs monitored	Training and education programs for employees.	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective			
Occupational health and safety for employees			
Strategy Ensure a safe and congenial environment for employees through strict and stringent safety policies and regular health and safety trainings to avoid risk of health and safety related incidents.			
Resource Allocation	Human Capital, Social and Relationship Capital.	Nature	Short Term
KPIs monitored	Health and safety policies in place | Training activities conducted | No. of health and safety incidents.	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective			
Maintaining supplier relationships			
Strategy Monitor cash flow requirements and produce cash flow projections for payables to ensure that timely payments are made as and when due			
Resource Allocation	Financial Capital, Social and Relationship Capital.	Nature	Short Term
KPIs monitored	Payable Days	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective			
Maintaining customer relationships			
Strategy Improve access to customers through a nationwide sale/service centre and dealer network, continuous focus on after sales services and monitor customer feedback.			
Resource Allocation	Manufactured Capital, Social and Relationship Capital.	Nature	Short Term
KPIs monitored	Sale/service center and dealer network | Customer Satisfaction Index	Priority	High
Status	On-going	KPIs relevant for future?	✔

OBJECTIVES AND STRATEGIES

Strategic Objective Be a socially responsible corporate entity			
Strategy Promote a culture of giving back to the community			
Resource Allocation	Social and Relationship Capital, Natural Capital	Nature	Short Term
KPIs monitored	CSR initiatives and activities	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective Have sufficient liquidity to meet liabilities when due			
Strategy Monitor cash flow requirements and produce cash flow projections for the short and long term.			
Resource Allocation	Financial Capital.	Nature	Short to Long Term
KPIs monitored	Liquidity ratios | Timely payments	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective Diversification			
Strategy Continuously seek avenues to diversify within and outside the Appliances and Power Industry.			
Resource Allocation	Manufactured Capital, Financial Capital.	Nature	Medium Term
KPIs monitored	Product range	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective Enhance production facilities and processes to improve efficiency			
Strategy Keep up-to-date with the latest technology advancements to achieve production efficiencies.			
Resource Allocation	Manufactured Capital, Financial Capital, Intellectual Capital	Nature	Medium Term
KPIs monitored	Technology upgradation activities.	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective Increase shareholders' wealth			
Strategy Build on short and medium term objectives to increase shareholders' wealth.			
Resource Allocation	Financial Capital, Social and Relationship Capital	Nature	Long Term
KPIs monitored	Market share price	Priority	High
Status	On-going	KPIs relevant for future?	✔

Strategic Objective Maintain industry leadership and market presence			
Strategy Planned and integrated marketing campaigns and increasing access to customers through a nationwide sale/service centre and dealer network.			
Resource Allocation	Manufactured Capital, Financial Capital, Social and Relationship Capital	Nature	Long Term
KPIs monitored	Market share | Sale/service centre and dealer network	Priority	High
Status	On-going	KPIs relevant for future?	✔

RESOURCE ALLOCATION

PEL is committed to provide best value to all its stakeholders for their engagement with the Company through efficient resource allocation.

Financial Capital

The Company at the close of 2023 has a long-term debt of Rs. 3,648 million and short-term borrowings amounting to Rs. 12,326 million. Long term debt is obtained to finance capital expenditure and long term working capital which indirectly backs manufactured capital of the Company. Short term borrowings are contracted to finance short term working capital requirements in accordance with the liquidity management framework of the Company, thereby supporting Human, Intellectual and Relationship Capital of the Company. The Company has a strong equity base reported at Rs. 41,425 million supporting sustainable growth in business.

Human Capital

Human Capital is considered as one of the most valuable resources at PEL. With significant contributions towards the growth and success of the Company, Human Capital remains one the most important areas of focus as the Company endeavors to ensure acquisition of top talent and provision of best employee development programs, healthy and safe work environment and market commensurate compensation packages.

The Company also allocates adequate resources for training and development of its employees. Various technical and non-technical training programs are carried out for employees at all levels both internally and externally.

Manufactured Capital

The Company has continued focus on product innovation and development and diversification. To achieve this the Company does substantial spending on research and development with the objective of improving features and aesthetics of exiting product range and marker research to seek avenues for diversification within and outside the appliance and electrical capital goods industry. The Company recognizes the importance of consumer driven product development and allocates resources accordingly.

Resources are also allocated for planned and integrated marketing campaigns and increase access to customers through a nation-wide sales/service centre and dealer network aimed at maintaining industry leadership and market presence. Further, the Company spares no expense in keeping itself up-to-date in terms of technology.

Intellectual Capital

The Company recognizes the importance of being a technology forerunner in order to achieve efficiencies and economies of scale. The Company invests in development of intellectual capital including product design and development, market research, management information systems, research and development, trademark protection and licensing.

To meet the quality of our products and services according to international and national standards, PEL extends comprehensive efforts to fulfil the requirements of standards, regulatory and statutory requirements. To ensure quality, safe and healthy workplace and environment, our practices are guided by highly comprehensive Integrated Management System (IMS) which is entrenched into our business processes and organizational culture. To keep the confidence on Integrated Management System, PEL has acquired and maintain certification on various international and national standards including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO/IEC 17025:2017).

Product certifications include CE Mark Certification for Distribution Transformer, Switchgear and Energy Meters and CM License for Refrigerator, Deep Freezer and Energy Meter from Pakistan Standard and Quality Control Authority (PSQCA).

PEL Distribution Transformers and Energy Meters are Type Tested from KEMA (STL Lab Member), Netherlands, Power Transformer is Type Test certified from VEIKI (STL Lab Member), Hungry and Switchgear Panels are Type Tested from KERI (STL Lab Member), Korea.

Social and Relationship Capital

We believe that our sustainability depends on our ability to maintain strong relationships with customers, vendors and with the society/community for whom we also create value. A sizeable budget is allocated for initiatives that align our activities with our stakeholder's expectations whether it's our customers, suppliers, the community, our employees and society as a whole. We also contribute to the society/community through a broad range of community initiatives, charitable giving, foundation grants and volunteerism.

Natural Capital

PEL recognizes the importance of efficient use of natural resources and has taken various steps towards its commitment to instil the culture within the Company. The Company has developed an Energy Information System to help identify energy losses at PEL's production units and those associated with PEL's products. The Company's 'PEL se Zindagi' initiative is involved in spreading awareness about the importance of clean water. PEL also contributes to environmental protection by use of ECO friendly 'Green Gases'.

KEY RESOURCES AND CAPABILITIES

PEL recognizes the importance of having a winning mindset with elemental focus on actively looking for what problems our customers face and what we can do to efficiently solve them.

Our consumer-driven product development approach coupled with significant investments in research and development, technologies and innovation allows us to remain technology forerunner committed to maintaining our market leadership position as provider of top quality products to meet the challenges and technology intensive needs of our customers.

The Company's key resources and capabilities are as follows:

- Product Diversification: Wide range of home appliances and electrical capital goods
- Technical Collaborations: Collaboration with reputed international organizations.
- Latest Technology: Technology forerunner committed to maintaining market leadership position
- Focused Research and Development: Consumer-driven product development
- Country-wide Dealers Network: Broad customer reach
- Efficient and Broad After-Sales Network: Boastful after-sales customer support

By using the above resources and capabilities, PEL creates value for its stakeholders as demonstrated by the following diagram

TECHNOLOGICAL CHANGE, SOCIETAL ISSUES AND RESOURCE SHORTAGES

Technological Change

PEL recognizes the importance of technology which is evident from its significant and continuing investments in research and development as well as up-gradation of technological facilities, which have contributed a lot in achieving the success PEL enjoys today.

The Company has been continuously establishing, upgrading and maintaining technology infrastructure, software and related systems which has helped in achieving optimal systems and operational performance while providing accessibility of these systems to the Company users on-site as well as remotely.

PEL IMS Portal is the backbone of our documentation excellence and reflection of our integrated system into our processes. Focusing on continual improvement and to meet the future challenges with updated technology, PEL IMS has been upgraded on new server by using web-based technology. The upgraded version of PEL IMS Portal will enables more user-friendly interface with enhance features e.g. easy accessibility, quick retrieval of documents with additional filter selections and also provide safeguard against confidentiality This technological up-gradation allows to automate more processes like Corrective Action Reports, Incident Analysis, Internal IMS Audit closures etc

The Quality Department is progressing towards digitizing the processes and increasing the span of control in liaison with the Information Technology department. Quality Department has implemented MES system in four products i-e: Water Dispenser, Washing Machine, Air Conditioner and Microwave Oven which has resulted in no manual recording, instant data retrieval, and analysis systems.

The management remains a technology forerunner committed to maintain its leadership position as provider of top-quality products to meet the challenges and technology intensive needs of its customers.

Societal Issues

In order to keep up with the expectations of the society, PEL Cares. We have a vast history of contributing for the social causes which help us become a good corporate citizen.

At PEL, we pride ourselves in aligning our business strategy to meet societal needs. We believe in giving something back to the society because we care. For us it's about more than just aligning our activities with our stakeholders' expectations whether it's our clients, suppliers, the community, our employees and the society as a whole. We work hard to minimize environmental impact to maximize social development.

Our appliances and power division has opened doors to improving lives through innovation, sustainability and adaptability. Through a broad range of community initiatives, charitable giving, foundation grants and volunteerism, we seek to create more value for our society to continue to bring joy in people's lives.

Details of PEL's CSR Initiatives and Suitability Highlights are given in Section H of this Annual Report.

Environmental Challanges

Pakistan continues to be vulnerable to climate change mainly due high population, pollution and geographical location. Increase in average temperature in the country is expected to cause increase in demand for domestic appliances like Air Conditioners, Refrigerators, Deep Freezer and Water Dispensers. The Company has a proactive marketing team capable of making the most of this opportunity.

C

RISKS AND OPPOTRUNITIES

RISKS AND OPPORTUNITIES

PEL's activities expose it to a variety of risks which are subject to difference levels of uncertainty against which PEL has implemented effective mitigating strategies. These risks can emanate from a number of factors including but not limited to uncertainties in financial markets, project failures, legal liabilities, credit risk, accidents and disasters as well as deliberate aggressive actions from an adversary, or uncertain or unpredictable events.

Risk Governance Structure

PEL's risk management policies are established to identify and analyze the risks faced by PEL, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and PEL's activities. PEL, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors has overall responsibility for the establishment and oversight of PEL's risk management framework. The Board is responsible for developing and monitoring PEL's risk management policies.

The Audit Committee oversees how management monitors compliance with PEL's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by PEL. The Audit Committee is assisted in its oversight role by Internal Audit department. Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Human Resource & Remuneration Committee focuses on risks in its area of oversight. This includes succession planning with a view to ensure availability of talented functionaries in each area of critical company operations as well as assessment of compensation programs to ensure that they do not escalate corporate risk.

Risk Assessment

The Board of Directors have carried out a robust assessment of the principal riks facing the Company, including those that wood threaten the business model, future performance, solvency or liquidity.

Risks And Mitigation Strategies

Risk	Likelihood / Magnitude	Source	Capital affected	Mitigation strategy
Technological shift may render PEL's production process obsolete.	Moderate / High	External	Manufactured / Intellectual Capital	Regular balancing, modernization and replacement carried out at all production facilities in order to ensure state of the art production plants utilizing latest technology resulting in cost efficiencies and improved products.
Strong market competition lowering demand for PEL's products	Low / Moderate	External	Manufactured / Intellectual Capital	PEL holds a considerable market share and has continued focus on sustaining and

Risk	Likelihood / Magnitude	Source	Capital affected	Mitigation strategy
				maintaining its market share through offering new and improved products and effective marketing strategies
Turnover of personnel at critical positions may affect smooth running of operations	Low / Moderate	Internal	Human Capital	PEL has formulated a comprehensive succession plan which includes performance evaluation and appropriate training requirements for development of potential and prospective future leaders
Breach of IT Security may affect operations and cause financial and data loss	Low / High	Internal	Financial / Intellectual Capital	Adequate IT controls are in place to prevent unauthorized data access to confidential information. Regular IT audits and trainings are conducted to monitor IT controls
Accidents and disasters, natural or by deliberate actions, may disrupt operations	Low / High	Internal / External	Manufactured / Financial / Intellectual Capital	PEL has put in place a comprehensive Disaster Recovery and Business Continuity Plan which has been implemented at all locations and PEL's staff is fully trained and equipped to recover from any disruption Further strict and standard operating procedures are in place and implemented together with

RISKS AND OPPORTUNITIES

Risk	Likelihood / Magnitude	Source	Capital affected	Mitigation strategy
				employee trainings, operational discipline and regular safety audits
Loss of customer confidence in PEL brand adversely affecting sales	Low / High	External	Manufactured Capital	Continued focus on new and improved products and state of the art after sales services to customers
Breach of law resulting in fines, penal action or suspension of business operations	Low / High	Internal	Manufactured / Financial Capital	Monitoring of latest updates in regulatory framework is carried out to prevent in breach of law. Expert legal advice is obtained before taking any critical decision
Default by customers causing financial loss	Low / Moderate	Internal	Financial / Relationship Capital	PEL maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other form of credit insurance.

Risk	Likelihood / Magnitude	Source	Capital affected	Mitigation strategy
Liquidity shortfall resulting in inability to make payments as the fall due	Low / Moderate	Internal	Financial Capital	The responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the PEL's short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities
Increase in interest rates resulting high interest costs	Moderate / Moderate	External	Financial Capital	PEL manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the management calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points

RISKS AND OPPORTUNITIES

Risk	Likelihood / Magnitude	Source	Capital affected	Mitigation strategy
Rupee depreciation causing increase in costs	High / High	External	Manufactured / Financial Capital	The Company does continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized

Opportunities and Materialization Strategies

Opportunity	Source	Capital affected	Materialization strategy
There are still numerous unexplored product lines that are offered by current competitors of PEL.	Internal	Manufactured Capital	Continuously seek avenues to diversify within and outside the Appliance and Power Industry
Demand for grid station installations and underground and on ground electrifications due to increase in housing sector schemes, upgrading of grid stations, government's focus towards augmentation of transmission and dispatch Infrastructure and CPEC	External	Manufactured Capital	The company is aiming to capitalize on its brand equity and commercial relations with WAPDA Distribution Companies in the emerging CPEC Scenario along with investment in initiatives to enhance relationships with customers in the private/corporate sector

Materiality Approach and Risk Tolerance

Matters are considered to be material, if they, individually or in aggregate, are expected to significantly affect the performance and profitability of the Company. Powers of the Board of Directors and the management of PEL have been defined with reference to, and in compliance with relevant regulatory framework, the Articles of Association of PEL, guidelines and frameworks issued by professional bodies and best practices. Authorizations for transactions and delegation of powers have also been defined clearly and carried out through formal and implemented policies and procedures. Materiality levels are reviewed on a periodic basis and updated as required.

LIQUIDITY MANAGEMENT

Liquidity Position

The Company's liquid assets comprise short term investments and cash and bank balances which stood at an aggregate of Rs. 817 million at the close of 2023.

Liquidity Management

PEL continuously aims to maintain a strong liquidity position through an effective liquidity management system to ensure availability of sufficient working capital. The Board of Directors has built an appropriate liquidity management framework for the management of short, medium and long-term funding and liquidity requirements.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer and matching the maturity profiles of financial assets and liabilities.

Cash flow projections for the future indicate availability of sufficient funds for timely repayment of external debts as well as for retention for sustained profitability.

Repayment of Debts

The Company's external long term debt stood at Rs. 3,648 million at the close of 2023 recording a net decrease of Rs. 3,672 million.

Short term borrowings showed decrease by 21% (Rs. 3,234 million) as the Company increased reliance on external borrowings for working capital requirements.

PEL is in the process of finalizing conversion exercise based on mutual agreement to be made amongst the existing investors for redemption/settlement of outstanding preference shares and dividend thereon.

PEL has remained current in debt servicing throughout the year. All payments on account of principal repayments and interest have been made by due dates.

D

GOVERNANCE

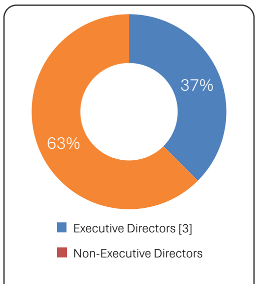
BOARD COMPOSITION

Composition of the Board of Directors

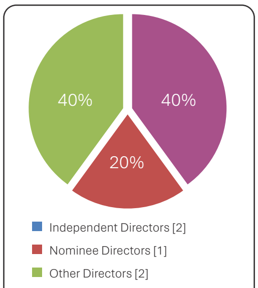
In order to ensure transparency, good governance and smooth functioning of the Company's operations, the Company has implemented the regulatory framework in terms of qualification, experience and composition of the Board of Directors.

The Board comprises 8 directors effectively representing shareholders' interests. There are 5 non-executive directors including 2 independent directors and 1 director nominated by National Bank of Pakistan.

Detailed profile of each member of the Board is presented page D 03-06.



Composition of the Board



Non-Executive Directors

All directors are highly qualified and experienced and come from varied discipline, which enables the Board to carry out effective and efficient decision making.

Leadership Structure of Those Charged with Governance

The Board of Directors' leadership framework is meticulously crafted to ensure robust governance and operational oversight within the Company. At its core, the Board is composed of a diverse cohort, each contributing unique expertise and viewpoints. Vital to its functioning are the roles of the Chairperson and the CEO. The Chairperson, a non-executive director, presides over Board meetings, upholding corporate governance standards and fostering constructive discourse among members. Meanwhile, the CEO, as the top executive, oversees day-to-day operations, translating the Board's strategic directives into actionable plans and driving organizational performance.

Beneath this top-tier leadership, the Board is further organized into specialized committees, each assigned specific functions. These committees, such as the Audit Committee and Human Resources and Remuneration Committee, consist of a mix of non-executive and independent directors. Operating within their defined scopes, these committees conduct thorough reviews, offer recommendations, and exercise oversight in their respective domains.

Furthermore, the Board operates on principles of accountability and transparency, ensuring decisions align with the interests of shareholders and stakeholders. Regular Board meetings, held quarterly or as needed, serve as platforms for strategic deliberations, performance assessments, and policy formulation. Additionally, the Board maintains open lines of communication with management and stakeholders, actively seeking feedback to inform decision-making processes.

Independent Directors

Within the Company's Board, two (2) independent directors, namely Mr. Muhammad Kamran Saleem and Ms. Sadaf Kashif, play pivotal roles. These individuals maintain a distinct separation from the Company's management and possess no affiliations or relationships that could potentially compromise their judgment or impartiality.

The Company takes meticulous steps to ensure the independence of its directors, aligning with the stringent requirements outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Companies Act 2017. Through rigorous adherence to these provisions, the Company verifies that its independent directors meet the prescribed qualification criteria for independence.

Furthermore, each independent director provides a formal declaration to the Company, affirming their adherence to the criteria set forth in the Companies Act, 2017. This declaration, submitted in conjunction with their consent to serve as a director, underscores their commitment to upholding the highest standards of independence and governance within the Board.

By maintaining a cadre of independent directors who meet and exceed regulatory standards, the Company fortifies its governance framework, ensuring transparency, accountability, and the safeguarding of shareholder interests. Through these measures, the Board cultivates an environment conducive to effective decision-making and strategic oversight, thereby enhancing the Company's long-term sustainability and growth prospects.

Diversity in the Board

The Board of Directors of our Company represents a harmonious blend of expertise, comprising a diverse cohort of highly qualified professionals equipped with a wide array of indispensable skills. This fusion encompasses proficiency in finance, business acumen, operational prowess, and legal acumen, ensuring a rich tapestry of viewpoints during the decision-making process. We place a premium on diversity, recognizing its pivotal role in invigorating discussions and nurturing innovative solutions.

In line with our unwavering commitment to inclusivity, we champion female representation within our Board of Directors, recognizing the indispensable nature of diverse perspectives in governance and strategic formulation. Presently, our Board boasts the inclusion of one esteemed female member, whose presence serves as a testament to our Company's dedication to gender diversity and equitable representation in leadership roles. This steadfast commitment not only echoes our core values but also acknowledges the invaluable contributions that diverse perspectives bring to the forefront of our deliberations and actions.

The Board of Directors of our Company represents a harmonious blend of expertise, comprising a diverse cohort of highly qualified professionals equipped with a wide array of indispensable skills. This fusion encompasses proficiency in finance, business acumen, operational prowess, and legal acumen, ensuring a rich tapestry of viewpoints during the decision-making process.

PROFILE OF THE BOARD

M. Naseem Saigol
Chairperson
Non-Executive Director

Mr. M. Naseem Saigol is the Chairman of the Saigol Group of Companies including PEL. He holds a degree in chemical engineering from USA.

Mr. M. Naseem Saigol came up with the vision to serve the nation through power industry in 1994 when Pakistan was facing a severe shortage of power supply. He joined hands with Tomen Corporation Japan (later on acquired by Toyota Tsusho Corporation, Japan) and formed Kohinoor Energy Limited (KEL) as an Independent Power Producer. KEL is proudly contributing to the dire power needs of the country.

Mr. M. Naseem Saigol has been the Chairman of All Pakistan Textile Mills Association (APTMA), Vice President of Lahore Chamber of Commerce and Industry, President of Faisalabad Chamber of Commerce and Industry, and is member of Industrial Employers' Association.

He holds the office of Honorary Consulate of Belgium.

Mr. M. Naseem Saigol through his business group in terms of services, manufacturing home appliances and electrical equipment, textile products and exports thereof, and power generation, is not only contributing to exchequer and the GDP of the country but also bestows businesses to local vendor industry and provides job opportunities to thousands of Pakistanis.

He, being an eminent textile entrepreneur, has also the honor to provide technical and management expertise to the governments of Libya, Somalia and Tanzania for establishing textile industry in their countries.

Mr. M. Naseem Saigol is a non-executive director on the Boards of four companies i.e. Kohinoor Energy Limited, Saritow Spinning Mills Limited, Kohinoor Industries Limited and Kohinoor Power Company Limited.

M. Murad Saigol
Chief Executive Officer
Executive Director

Mr. M. Murad Saigol is the Chief Executive and Managing Director of the Company. He did his graduation from School of Oriental and African Studies, London UK. He looks after all of the Strategic and Operational affairs of the Company. He joined PEL in 2005 and achieved certain land marks in Company Business. In his current role he is responsible to drive the Company affairs in accordance with Board of Directors' Vision and Mission. He is a Corporate Governance Certified Director under Directors Training Program.

Mr. M. Murad Saigol is a non-executive director on the Boards of three companies i.e. Saritow Spinning Mills Limited, Kohinoor Industries Limited and Kohinoor Power Company Limited.

M. Zeid Yousuf Saigol

Director

Executive Director

Mr. M. Zeid Yousaf Saigol is an Executive Director on the Board of PEL. He holds Bachelors in Science (BS) in Chemical Engineering from Carnegie Mellon University USA. He is associated with Company since 2011 and is leading the Company's Power Division Operations. He is a Corporate Governance Certified Director under Directors Training Program.

Mr. M. Zeid Yousaf Saigol is a non-executive director on the Boards of three companies i.e. Saritow Spinning Mills Limited, Kohinoor Industries Limited and Kohinoor Power Company Limited.

Syed Manzar Hassan

Director / Chief Financial Officer

Executive Director

Syed Manzar Hassan is an Executive Director on the Board of PEL and is also the Chief Financial Officer of the Company. He is a Fellow Member of Institute of Chartered Accountants of Pakistan. He has over 20 years' experience in Financial Management, Financial and Management Reporting and handling Corporate Matters with a specialization in Corporate Finance. He joined PEL in 1998 and was responsible for financial matters including budgeting and financial planning. In his current role, he is responsible for all necessary financing arrangements for smooth cash flow, budgeting and business planning, management and corporate accounting, company taxation and regulatory issues and company IT resource management. He is a member of the Company's Human Resource and Remuneration Committee. He is a Corporate Governance Certified Director under Directors Training Program.

He is a non-executive director on the Boards of two companies i.e. Kohinoor Energy Limited and Mitchell's Fruit Farms Limited.

PROFILE OF THE BOARD

M. Anjum Nisar

Director

Executive Director

Mr. Anjum Nisar holds a BSC degree from Punjab University. He has over 47 years of strategic management experience in diverse areas of operations, business development, sales, customer services, and supply chain in the field of manufacturing artificial leather, petrochemical, and spinning industries. He believes in working as a team, developing trust and respect for each other, and aligning the values of the organization with employees' values. Mr. Anjum Nisar is the Chairman of ATS Group of Industries. Under his guidance, ATS Group has also earned numerous awards, for enabling a thriving business environment, investing in the development of its people, upholding high standards, and promoting diversity, health, safety and environment in the workplace.

Sadaf Kashif

Director

Independent Director

Ms. Sadaf Kashif is a Member of Institute of Chartered Accountants of Pakistan and is serving as Chief Financial Officer on the Board of Kohinoor Energy Limited. She is also on the Board of Kohinoor Power Company Limited and Kohinoor Industries Limited. She is a Corporate Governance Certified Director under Directors Training Program.

Muhammad Kamran Saleem

Director

Independent Director

Mr. Muhammad Kamran Saleem holds L.L.M., ACA (Eng. & Wales), FCA (Pak.), FCMA, FCIS. He is also the chairman of standing committee on Takaful and Window Takaful at Federation of Pakistan Chamber of Commerce and Industry. He is a founding management employee at Pak Qatar Group. Mr. Muhammad Kamran Saleem is Chief Executive Officer at Pak Qatar Investments (Private) Limited and currently holds title of 'Director-Finance and Company Secretary' at Pak-Qatar Family Takaful Limited. He has been member of team achieving key milestones i.e. implementation of SAP (FICO), Shariah and Statutory Reporting, Taxation and Compliance for Insurance and Takaful Industry In Pakistan. He also supervises Treasury through Fund Managers and is member of Investment Committee at Pak-Qatar Family Takaful Limited with oversight of PKR 20 Billion in various assess classes. Being a qualified lawyer, he also supervises legal team and has exposure in handling legal queries and cases at Pak Qatar Group including supervision of Risk Management Committee. He has also served in Automobile, Sugar and Textile Conglomerate apart from his audit and consultancy assignments as external auditor during professional practice.

He is a Corporate Governance Certified Director under Directors Training Program.

Mr. Shahid Iqbal Choudhri

Director

Nominee Director

Mr. Choudhri is a seasoned banker and a prominent Finance professional with diverse experience spanning over three decades in top-rated commercial, investment banks and DFIs of Pakistan. He has had the privilege of serving at senior level positions within multi-product environments in various roles including business development, corporate/investment banking, risk management, special assets management and operations. During his assignments in recent past, he has developed and turned around various core banking functions of Corporate and Remedial.

At NBP, He has served as Executive Vice President and Regional Corporate Head, Lahore where he managed one of the largest corporate client portfolios in the country. He has also served as the Divisional Head – Asset Recovery Division North at NBP where he achieved one of the highest ever NPL reductions in his tenure in a time of three years. Earlier, has also served at various senior positions at PAIR Investment Company, Trust Investment Bank, Crescent Commercial Bank and Fidelity Investment Bank.

Presently, he is serving as Group Head CIBG at the National Bank of Pakistan (NBP) Head Office, Karachi where he is spearheading one of the largest corporate asset portfolios of the country.

Mr. Choudhri is a Certified Director, completing his Directors Training Program from LUMS, is an MBA in Finance and also holds a Postgraduate Diploma in Islamic Banking and Insurance from the U.K.

ROLE OF THE CHAIRPERSON AND CEO

In adherence to robust corporate governance principles, our Company meticulously designates distinct individuals to fulfill the pivotal roles of Chairperson of the Board of Directors and Chief Executive Officer (CEO), ensuring a transparent and delineated division of duties and responsibilities. Pursuant to Section 192(2) of the Companies Act 2017, the Board of Directors has meticulously outlined the roles and responsibilities attributed to both the Chairperson and the CEO.

Role of the Chairperson

The Chairperson of the Board holds a primary responsibility in providing leadership and management to the Board of Directors. Accountable to the Board, the Chairperson acts as a conduit for communication between management and the Board, overseeing activities of the Company and its management. Key duties and responsibilities include:

- Acting as a liaison between management and the Board, facilitated through the CEO.
- Maintaining awareness of the Company's activities and management endeavors.
- Ensuring Directors are adequately informed to make informed decisions.
- Preparing a comprehensive review report on the Board's performance and its effectiveness in achieving Company objectives.
- Developing and setting agendas for Board meetings and presiding over them.
- Ensuring accurate recording and review of Board meeting minutes.
- Confirming meeting quorum and ensuring timely circulation of agendas and relevant materials.
- Overseeing compliance with laws pertaining to meeting minutes and director roles.
- Recommending committee appointments after consultation with Directors and management.
- Conducting annual assessments and providing recommendations on Board effectiveness.

Role of Chief Executive

Subject to the control and directives of the Board, the CEO is entrusted with managing the Company's affairs. Responsibilities of the CEO include:

- Planning, formulating, and implementing strategic policies.
- Facilitating coordination between Company departments for effective operations.
- Engaging in ongoing dialogue with Directors regarding policy changes, business performance, and development.
- Ensuring protection and maintenance of Company assets and compliance with governmental obligations.
- Maintaining relationships with governmental entities, customers, suppliers, and sales offices.
- Developing human resource policies to enhance professional standards and overall Company progress.
- Establishing and updating succession plans throughout the organization.
- Overseeing the functioning of Management Committees chaired by the CEO.
- Personally presenting reports to the Board on business plans, budgets, operating results, and regulatory matters.
- Reviewing performance against targets, budgets, and other critical metrics.
- Cultivating an open and progressive workplace culture that encourages employee participation and excellence.

BOARD OPERATIONS

As the principal governing entity of the Company, the Board of Directors operates in a stewardship capacity on behalf of shareholders, entrusted with the responsibility of charting strategic direction, overseeing corporate performance, and safeguarding shareholder interests. Diligently and responsibly exercising its authority, the Board adheres to comprehensive deliberation as stipulated by the Company's Articles of Association, the Companies Act 2017, the Listed Companies (Code of Corporate Governance) 2019, and other pertinent laws.

Functioning as custodians of the Company's long-term interests, the Board makes high-level strategic decisions while entrusting operational management to the executive team. This balanced approach ensures effective governance, strategic alignment, and accountability across the Company.

Matters Reserved for the Board

At its essence, the Board's mandate encompasses decision-making on matters of paramount significance that shape the Company's trajectory and ensure its enduring viability. These include, yet are not limited to:

Approving the Company's strategic plans, encompassing business objectives, growth strategies, and risk management initiatives.

Exercising oversight of financial performance, including approval of budgets, financial statements, major investments, and capital allocation decisions.

Identifying and evaluating significant risks to the Company and implementing appropriate mitigation measures.

Appointing, evaluating, and compensating senior executives, including the CEO, and ensuring robust succession planning for key leadership positions.

Establishing and upholding effective corporate governance practices, including adherence to legal and regulatory requirements and promotion of ethical conduct.

Reviewing recommendations put forth by Board committees.

Approving related party transactions based on Audit Committee recommendations.

Ratifying financial statements and dividend declarations.

Risk Governance

The Board assumes a pivotal role in overseeing risk governance within the Company, tasked with defining the organization's risk appetite and formulating comprehensive risk management protocols. To discharge this duty, the Board periodically assesses the Company's overall risk landscape, ensuring that management implements a robust framework for risk identification, assessment, and mitigation.

Central to the Board's oversight is its commitment to safeguarding the Company's assets, resources, reputation, and shareholder interests. Through diligent scrutiny, the Board evaluates both internal and external factors that may pose risks to the Company's operations and strategic objectives. This encompasses assessing market dynamics, regulatory shifts, competitive pressures, and emerging threats to business continuity.

In formulating risk management policies, the Board seeks to strike a balance between prudent risk-taking and the preservation of shareholder value. By delineating clear risk parameters and tolerance levels, the Board provides guidance to management in navigating uncertainties while remaining aligned with the Company's strategic objectives.

Moreover, the Board ensures that management maintains robust internal control systems to effectively manage identified risks and forestall potential adverse impacts. This entails instituting rigorous processes for risk identification, ongoing monitoring, and timely reporting to facilitate proactive decision-making.

Through its oversight function, the Board cultivates a culture of risk awareness and accountability throughout the Company, fostering open dialogue and transparent reporting of risks at all levels. By advocating a proactive approach to risk management, the Board endeavors to bolster the Company's resilience, adaptability, and capacity to seize opportunities in a dynamic business landscape.

Delegation of Day-to-Day Operations

While retaining ultimate authority over critical strategic decisions, the Board delegates day-to-day operational management to the executive team, led by the CEO. This delegation encompasses decisions pertaining to routine operations, implementation of strategic initiatives, and tactical execution of plans, typically entrusted to the management team. Management assumes the responsibility of ensuring operational excellence, regulatory compliance, and financial integrity, with the Board providing oversight and strategic guidance to steer the Company toward its objectives.

It is incumbent upon the management team to identify and navigate critical risks, capitalize on emerging opportunities, uphold internal controls, and prepare financial statements in adherence to approved accounting standards. This mandate must be executed in strict compliance with relevant regulations, including the Companies Act 2017, and other directives stipulated by the Securities and Exchange Commission of Pakistan.

Through delegation of responsibilities, the Board fosters efficient decision-making, encourages innovation, and empowers management to effectively execute the Company's strategic vision.

PERFORMANCE OF THE BOARD

Annual assessment of the Board's performance

The Company has meticulously crafted a Board performance questionnaire for conducting the yearly evaluation of the Board's performance, including its members and committees. This process is carried out in strict compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, ensuring the utmost confidentiality. The questionnaire encompasses key criteria necessary for a comprehensive evaluation of the Board, its members, and its committees, covering areas such as formation and quality assurance, understanding of business operations and associated risks, adherence to processes and procedures, oversight of the financial reporting process, commitment to ethics and compliance, and a comments section for holistic assessment.

The overall performance of the Board is assessed using a robust numeric quantitative assessment mechanism on a rating scale from 5 to 1, with 5 as the highest score and 1 as the lowest. Identified deficiencies prompt the Board to develop action plans, which may involve targeted training sessions, workshops, or seminars to enhance understanding of business risks, improve processes and procedures, strengthen oversight of financial reporting and internal controls, and reinforce ethics and compliance standards. Regular follow-up assessments track progress and ensure the implementation of corrective measures. Additionally, the Board may consider restructuring committees or adjusting roles and responsibilities for enhanced effectiveness.

Chairperson's Evaluation of Board Performance

The Chairperson assumes the pivotal responsibility of conducting an exhaustive review of the Board's performance, delving into its multifaceted effectiveness in realizing the Company's overarching objectives from diverse perspectives. This comprehensive evaluation entails a meticulous analysis of strategic decision-making processes, the quality of guidance provided, the depth of engagement with stakeholders, and the tangible contributions made towards fostering the Company's long-term success and sustainability.

In this thorough assessment, feedback from various stakeholders, including but not limited to management personnel and shareholders, serves as a crucial compass. Their perspectives offer invaluable insights into the Board's performance, serving to complement the internal evaluation and providing a holistic view of the Board's effectiveness. This inclusive approach ensures that the evaluation process is enriched with diverse viewpoints, enhancing its accuracy and relevance.

The culmination of this rigorous evaluation effort is encapsulated in the Chairman's Report, a comprehensive document that offers a panoramic overview of the Board's performance and its pivotal role in driving the Company towards its strategic objectives. This report serves as a beacon of transparency and accountability, offering stakeholders, both within and outside the organization, a transparent insight into the Board's performance and its alignment with the Company's strategic trajectory.

External Evaluation of the Board's Performance

The Company relies solely on its internal mechanisms to evaluate the Board's performance, choosing not to involve external experts.

This decision reflects the Company's confidence in the comprehensiveness and robustness of its internal evaluation processes. These mechanisms are meticulously designed and implemented to capture the nuanced dynamics and intricacies of the Board's performance, ensuring a thorough assessment aligned with the Company's specific needs and objectives.

By leveraging internal expertise and resources, the Company demonstrates a commitment to fostering accountability, transparency, and autonomy in its governance practices, while also optimizing cost-effectiveness and efficiency in the evaluation process.

This strategic approach underscores the Company's dedication to upholding high standards of corporate governance and continuous improvement, while also affirming its trust in the competence and integrity of its internal stakeholders to effectively uphold these standards.

ORIENTATION AND TRAINING

Orientation Initiatives

The Company has implemented a robust internal protocol through a comprehensive Directors' Orientation Pack, meticulously crafted to empower Board members with a profound understanding of the Company's intricate operations, regulatory framework, and the significant fiduciary duties they shoulder. This tailor-made orientation initiative is strategically timed to coincide with the commencement of a Board member's term or upon appointment to fill unforeseen vacancies, ensuring a seamless integration into their roles.

Delivered through an engaging presentation format, this orientation endeavor transcends a mere introduction; it's a strategic immersion into the company's ethos, values, strategic objectives, and operational intricacies. From elucidating the company's mission and vision to navigating the legal and regulatory landscape governing its operations, every aspect is meticulously covered to equip Board members with the necessary knowledge and insights.

Furthermore, the orientation session goes beyond mere information dissemination; it fosters interactive dialogue, encouraging Board members to ask questions, seek clarifications, and engage in critical discussions. By nurturing an environment of open communication and inquiry, the company not only imparts knowledge but also cultivates a culture of collaborative governance and proactive engagement.

This proactive approach underscores the company's steadfast commitment to governance excellence, transparency, and accountability. By ensuring that Board members are well-prepared and informed from the outset, the company not only protects its interests but also establishes a solid foundation for strategic decision-making and value creation. Through this concerted effort, the company reinforces its position as a steward of corporate governance best practices, driving sustainable growth and long-term success.

Directors' Certification Programs

Directors serving on the boards of listed companies in Pakistan are mandated to obtain certification through accredited director training programs, whether local or foreign, meeting the stringent criteria set by the Securities and Exchange Commission of Pakistan (SECP). This certification requirement highlights the necessity for directors to continuously enhance their expertise and stay abreast of evolving best practices, regulatory frameworks, and industry trends.

The certification process is designed to ensure that directors acquire practical insights and skills essential for effective governance. These programs typically incorporate a mix of theoretical modules, practical case studies, and interactive workshops, enabling directors to apply their learning to real-world scenarios. By undergoing rigorous training and earning certification, directors demonstrate their commitment to upholding the highest standards of professionalism, integrity, and accountability in their roles.

Moreover, the certification mandate serves as a mechanism to fortify the overall governance framework of listed companies. It instills confidence among investors, regulators, and other stakeholders by ensuring that directors possess the necessary competencies to fulfill their fiduciary duties and safeguard the interests of shareholders.

All directors on the Board of Pak Elektron Limited are either certified directors or are otherwise exempt based on their individual experience.

AUDIT COMMITTEE

Composition	Designation
Mr. Muhammad Kamran Saleem	Chairperson
Mr. M. Naseem Saigol	Member
Syed Manzar Hassan	Member
Ms. Sadaf Kashif	Member

Directors	27th March	28th April	29th August	30th October	Total Attended
Mr. Muhammad Kamran Saleem	✓	✓	✓	✓	4
Mr. M. Naseem Saigol	✓	✓	✓	✓	4
Syed Manzar Hassan	✓	✓	✓	✓	4
Ms. Sadaf Kashif**	✗	✗	✗	✓	1
Syed Haroon Rashid*	✓	✓	✗	✗	2

* Syed Haroon Rashid resigned on 23 August 2023.
** Ms. Sadaf Kashif Appointed on 29 August 2023.

Salient Features & Terms of Reference

The Board of Directors of the Company have determined the following term of reference of the Audit Committee:

a) Determination of appropriate measures to safeguard the Company's assets.

b) Review of preliminary announcements of results prior to publication.

c) Review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- Major judgmental areas,
- Significant adjustments resulting from the audit,
- The going concern assumption,
- Any change in accounting policies and practices,
- Significant related party transactions
- Compliance with applicable accounting standards, and
- Compliance with Code of Corporate Governance Regulations and other statutory and regulatory requirements.

d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

e) Review of Management Letter issued by external auditors and management's responsible thereto.

f) Ensuring coordination between the internal and external auditors of Company.

g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.

i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.

j) Review of Company's statement on internal control system prior to endorsement by the Board of Directors and internal audit reports.

k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body.

l) Determination of compliance with relevant statuary requirements.

m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

n) Review of arrangement for staff and management to report to audit committee financial and other matters and recommend instituting remedial and mitigating measures;

o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-complinaces with the Code of Corporate Governance Regulations.

p) Review IT security policies, controls, procedures and ensure that recommendations of IT internal audit are implemented.

q) Consideration of any other issue or matter as maybe assigned by the Board of Directors.

HR AND REMUNERATION COMMITTEE

Composition	Designation
Mr. Muhammad Kamran Saleem	Chairperson
Syed Manzar Hassan	Member
Ms. Sadaf Kashif	Member
Syed Haroon Rashid	Member

Directors	04th April	Total Attended
Mr. Muhammad Kamran Saleem	✔	1
Syed Manzar Hassan	✔	1
Ms. Sadaf Kashif**	✘	-
Syed Haroon Rashid*	✔	1

* Syed Haroon Rashid resigned on 23 August 2023.
** Ms. Sadaf Kashif Appointed on 29 August 2023.

Senior Manager Human Resources acts as Secretary of the Committee and submits the minutes of the meeting duly signed by Chairman to the Company Secretary. These minutes are then circulated to the Board of Directors.

Salient Features & Terms of Reference

The Board of Directors of the Company have determined the following term of reference of the Human Resource and Remuneration Committee:

a) Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;

b) Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant;

c) Recommending human resource management policies to the board;

d) Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief financial officer, company secretary and head of internal audit;

e) Consideration and approval on recommendations of chief executive office on such matters for key management positions who report directly to chief executive officer; and

f) Ensure, in consultation with the Chief Executive that succession plans are in place and review such plans at regular intervals for those executives, whose appointment requires Board approval (under Code of Corporate Governance), namely, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their terms of appointment and remuneration package.

The Committee meets on as required basis or when directed by the Board sets the agenda, time, date and venue of the meeting in consultation with the Chairman of the Committee.

INFORMATION TECHNOLOGY GOVERNANCE

Information Technology has grown to permeate the business world, affecting how companies make and market their products as well as how people communicate and accomplish their jobs. The need for IT governance has also become pivotal towards organization sustenance and growth.

At PEL, IT Governance provides a framework that is aimed at IT strategy about IT infrastructure, risks management, deployment of new techniques and ideas as well as delivery of IT services in an efficient and economical way. PEL remains focused on continuous exploration of best technologies and infrastructure, to enable efficient and timely decision making, in addition to economizing on the cost related to operating and decision making.

IT Steering Committee

The Board of Directors has constituted an IT Steering Committee that is charged with oversight of IT governance and cybersecurity matters.

The IT controlling committee plays an critical part in empowering management to require broader possession of cybersecurity hazard, and it is incumbent on them to understand whether and how the responsibility for cybersecurity is shared over the company.

IT steering committee meeting are held with sufficient regularity and meeting agendas include cybersecurity risks and mitigation factors. IT security policy, controls, procedures are also reviewed in audit committee meetings and it is ensured that all the recommendations identified in internal audit report are implemented.

Internal Audit department regularly performs network and cyber security audits, the results of which are presented to the Audit Committee. All IT related budgets and capital expenditure is approved by the Board after a detailed presentation by the IT Steering Committee.

Early Warning System

The IT Steering Committee has put in place controls and procedures about an “early warning system” that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents. This includes network firewall, email security gateway and end point security systems which are all monitored by system and analysis of firewall logs.

Security Assessment

IT steering committee has implemented information security policies that support PEL's business objectives while also adhering to industry standards and regulations. The Board supports and participates in the development, enforcement of information security policies and security assessment of IT environment to ascertain the security level at PEL.

A Vulnerability and Penetration Test was carried out during the year by the IT Team of the Company. Vulnerability scanning was aimed at identifying pre-existing flaws code (internal and third-party assets) and where they are located. Penetration tests attempted to exploit the vulnerabilities in the system to determine whether unauthorized access or other malicious activity is possible and to identify which flaws pose a threat to the application tested.

Staff Training

The IT Team regularly organizes training for the Company's end users to follow best standard practices to avoid any cybersecurity threats and risks. Information security awareness sessions are also conducted regularly which address the cybersecurity mistakes that employees may make when using email, the web and in the physical world such as tailgating or improper document disposal.

Use of Enterprise Resource Planning (ERP)

PEL remains focused on continuous exploration of best technologies and infrastructure, to enable efficient and timely decision making. This reflects in the Company's production facilities and ERP (Oracle) environment.

The ERP is designed to manage and integrate the functions of core business processes in a single system and thus plays a major role, connecting day-to-day activities across the entire company and providing essential insight into operations. All areas of the manufacturing process – from Materials and Inventory to Production, Operations and Accounting – are integrated into one database which gives the management greater insight into increasingly complex supply chains, helping the management manage supplier partnerships and stay on top of key factors such as demand forecasting and production downtime.

The Oracle ERP was implemented in the Company and subsequently was upgraded and reconfigured from time to time as per the changing needs of the Company. End-users are trained accordingly.

The Company assesses system security, access to sensitive data and segregation of duties through implementation of comprehensive IT security policies and regular staff training to create information security awareness. The IT security policy also lays out a comprehensive framework for ERP related internal controls which are implement and audited periodically.

Leveraging 4.0 Industrial Revolution

Industry 4.0 is changing the way manufacturing companies are doing business, shaping a new world that will digitally connect humans, systems and machinery through automation. As traditional models of manufacturing continue to be disrupted by trends such as Artificial Intelligence, businesses are in danger of falling behind due to lack of strategic planning geared towards organisational change, digital challenges and implementation.

This is where our Enterprise Resource Planning (ERP) solutions play a major role, connecting day-to-day activities across the entire company and providing essential insight into operations. All areas of the manufacturing process – from Materials and Inventory to Production, Operations and Accounting – are integrated into one database which gives the management greater insight into increasingly complex supply chains, helping the management manage supplier partnerships and stay on top of key factors such as demand forecasting and production downtime.

Further, to thrive in the Fourth Industrial Revolution, PEL has ensured that its workers are properly equipped through upskilling and reskilling and new people with relevant skills are hired when necessary.

Business Continuity Planning

Recognizing the critical importance of technological dominance, extreme competition and sustained/continued business operations, PEL has undertaken measures to enhance its capacity to survive against disruptions/ calamities.

Business Continuity Planning instills employee satisfaction, inculcates confidence of customers as well as investors in business and helps protect PEL's image, brand and reputation.

Disaster Recovery Planning

As part of BCP, a Disaster Recovery site (DR) has been established to further strengthen the availability of IT/Oracle services in case of a disaster.

The site hosts backup servers for shifting of services during a disaster. A comprehensive set of policies and procedures, including responsibilities and actions to recover computer, communications and network environment in the event of an unexpected interruption, have been implemented to ensure a hassle free movement of data from primary site to DR site.

Review of Business Continuity and Disaster Recovery Planning by the Board

PEL has implemented an effective Disaster Recovery System, for sustained business operations in the event of a disruption or disaster.

The Board of Directors has Reviewed the Business Continuity and Disaster Recovery Plan of the Company and satisfied that the Company is well protected against risks of loss arising from any disaster.

POLICY DISCLOSURES

Governance of Risk and Internal Controls

The Board of Directors of the Company has approved various policies in connection with Governance of Risk and Internal Control. These include policies related to Social and Environmental Responsibilities, Conflict of Interest, Investors; Grievance, Safety of Records, Whistle Blowing, Human Resource Management And Succession Planning, Directors' Interest in Contracts and Arrangements, Communication with Stakeholders, Health Safety Environment, Diversity. Information Technology and Shareholders' participation in AGM. The implementation of such policies is in accordance with risk and governance framework established by the Board.

The Board has designed its risk management framework to effectively identify, analyze, evaluate, mitigate and monitor the risk faced by the Company. Risks are ranked based on their potential impact on the Company and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed and implemented. The impact potential of risks is regularly monitored and strategies are devised and updated to mitigate those risks.

Corporate Social Responsibility and Sustainability Policy

PEL is committed to act responsibly towards the community and environment for our mutual benefit as PEL believes that the success of the Company emanates from the development of the community. Our Social and Environmental practices have been elaborated in the section relating to 'Corporate Social Responsibility', with the following distinct features:

- Community investment & welfare schemes
- Rural development programmes
- Corporate Social Responsibility
- Environmental protection measures
- Occupational health & safety
- Business ethics & anti-corruption measures
- Consumer protection measures
- Energy conservation
- Industrial relations
- Employment of special persons
- National cause donations
- Contribution to National Exchequer

Conflict of Interest Policy

In order to avoid known or perceived or potential conflicts of interests, PEL has employed Avoiding Conflict of Interest Policy in addition to compliance of regulatory requirements and Code of Conduct, where a formal disclosure of vested interest can made by our people. A conflict of interest can arise when one's judgment could be influenced, or might appear as being influenced, by the possibility of any personal benefit, relation or bias, whether intentional or unintentional. Our People have the responsibility to intimate their immediate manager about potential conflict of interest. Conflict of interest must be avoided at all costs.

Investors' Grievance Policy

The Company believes in allowing full access to all shareholders including potential investors, to call for information or detail on Company operations, in addition to details relating to his/her specific investment, dividend distribution or circulation of regulatory publications by the Company, with endeavours for prompt provision of information or resolution of query/grievance in accordance with the statutory guidelines. Investor grievances are managed centrally by the Corporate Affairs Department, through an effective grievance management mechanism for handling of investor queries and complaints, through the following key measures:

- Increasing the investor's awareness relating to modes for filing of queries handling of investor grievances in a timely manner
- Grievances are handled honestly and in good faith by PEL employees and without prejudice
- Any grievances requiring attention of the management or the Board of Directors, are escalated to the appropriate levels with full facts of the case, for judicious settlement of the grievance
- Investigations are also carried out to inquire whether the cause of the grievance was a weakness in the system or negligence/willful act on part of any employee
- Appropriate remedial action is taken immediately to ensure avoidance in the future

Policy for Safety of Records

The Company has established a policy for preservation of records in line with good governance practice.

These records include books of account, documentation pertaining to secretarial, legal, contractual, taxation and other matters, which have been archived where needed, in a well preserved and secure manner.

The main objectives this policy are:

- To ensure that the Company's records are created, managed, retained and disposed off in an effective and efficient manner;
- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information;
- To ensure that information is held as long as required to meet legal, administrative, operational and other requirements of the Company.

These objectives are achieved through implementation of access controls, on-site and off-site backups, determination of responsibilities for all Company departments for safeguarding of their respective records and implementing mechanism for reporting of breach of security or damage of record to the management.

Speak-up PEL's Whistleblowing Guidelines

PEL ensures accountability and integrity in conduct, by devising a transparent and effective SPEAK-UP Policy and whistle blowing guidelines for sounding of alerts against any misconduct, deviations from policies, controls, applicable regulations, or violation of the code of conduct. The Speak-UP Policy is applicable to all employees, management and the Board and extends to every individual associated with the Company including contractors, suppliers, business partners and shareholders etc., who can participate effectively and in confidentiality, without fear of reprisal or repercussions on advertised speak-up channels on PEL Official Website (speakup@pel.com.pk). The employees are required to report concerns directly to immediate supervisors, except where, reporting to supervisors is impracticable, in which case, the level may be raised to the senior management.

The purpose of this policy is to encourage all stakeholders to raise questions and concerns, monitor the progress of resultant inquiries, provide feedback and where required, also voice concerns against any unsatisfactory inquiry or proceeding. The Policy covers unethical conduct, offence, breach of law or failure to comply with legal obligations, collusion, coercive practices and possible fraud / corruption. Due emphasis has also been placed on health, safety and environmental risks. Inappropriate or malicious reporting leading to wrongful convictions have been specifically forbidden, with clear definition of consequences for the persons making wrongful accusations. There was no material incidence was reported to the Audit Committee during the year regarding improprieties in financial, operating, legal or other matters. All minor events requiring management's attention were duly addressed with dissemination of messages across the Company for avoidance of such incidents in the future.

Human Resource Management Policy & Succession Planning

PEL attracts the finest talent for induction in all functions of the Company and ensures provision of a conducive environment to stimulate performance, in addition to market commensurate remuneration to retain qualityworkforce, and developing and refining their abilities for prospective leadership roles.

The Company ensures availability of competent personnel in each department through a comprehensive Succession Plan, carried out in terms of an individual's potential, qualification, period of service and professional attitude amongst other criteria. The succession policy is updated periodically in line with the Company's requirements and career objectives.

Communication with Stakeholders

The development of sustained stakeholder relationships is paramount to the performance of any company. From short term assessments to longer term strategic relationship building, 'Stakeholders' Engagement' lies at the core of our business practices to promote improved risk management, compliance with regulatory and lender requirements in addition to overall growth of the Company.

The frequency of engagements is based on business and corporate requirements as specified by the Code of Corporate Governance, contractual obligations or on requirements basis.

Directors' Interest in Significant Contracts or Arrangements

The Board has put in place a Code of Conduct that promotes ethical culture in the Company and prevents conflict of interest in their capacity as member of the Board. All Board members are required to disclosed their interest in significant contracts and arrangements, including those with related parties. The policy provides mechanism to deal with such disclosures including requiring the interested to directors to abstain from voting in all matters related to such contracts or arrangements.

Diversity Policy

PEL is committed to promoting and maintaining a culture of diversity. Our human capital is our most valuable resource, with the individuals coming from different age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make each individual unique.

All major areas of human resource management are subject to our diversity policy, be it, recruitment and selection, compensation and benefits, professional development and training, promotions, transfers, social and recreational programs, layoffs or terminations with strict disciplinary actions in case of non-compliance.

Shareholders' Participation in AGM

The Company encourages shareholders' participation in AGM. The management of the Company believes, encourages and ensures the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the General Meetings and appoint another member as his/her proxy in his/her absence. The notices of General Meetings are circulated by the Company within the regulatory time frames to the registered addresses of the shareholders (including minority shareholders) as well as it is published in Urdu and English newspapers.

POLICY DISCLOSURES

Employee Health, Safety and Protection

Employee safety is an integral part of PEL's agenda. PEL heavily relies on Quality and Safety policy, strict and stringent safety policies have been put in place for workers to avoid the risk of an accident and ensure maximum safety of employees. PEL over the year has implemented initiatives to promote awareness, training and communication targeting all employees.

Directors' Remuneration

There are formal and transparent procedures for fixing the remuneration of directors and no director is involved in deciding his own remuneration. Remuneration levels are kept at a reasonable level in order to attract and retain directors, without compromising independence.

The Board of Directors of the Company has adopted a policy for remuneration of non-executive and independent directors upon the implementation of Section 170 of the Companies Act 2017 read with Regulation No. 17 of the Code of Corporate Governance. The Policy is applicable to all non-executive and independent directors who attend Board meetings, Audit Committee meetings, Human Resource and Remuneration Committee meetings and any other meetings called by the Board. Through its Articles of Association, the Company, the Board is authorized to fix remuneration of non-executive and independent directors from time to time. The fee of the non-executive and independent directors for attending the Board and Committee meetings of the Company shall be as determined by the Board of Directors from time to rime.

External Oversight of Internal Audit Function

The Company has not engaged any specialist for external oversight of internal audit or systems audit functions as the Board believes that the internal audit department is fully equipped in terms of personnel and resources to carry out the internal audit activities efficiently and effectively under the supervision of the Audit Committee.

Further, the coordination between the internal and external auditors is facilitated to ensure efficiency and contribution to the Company's objectives including a reliable financial reporting system.

Policy of Retention of Board Fee

PEL does not have any policy that restricts an executive director from retaining meeting fee earned by them against services as non-executive director in other companies.

Appointment of Chairman and Non Executive Directors

The Company does not use external search consultancy in the appointment of the Chairman or any non-executive director.

Related Parties

Related parties from the Company's perspective comprise sponsors, associated companies, key management personnel and post employment benefit plan. 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. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature and basis of relationship	Shareholding
Pak Elektron Limited Employees Provident Fund Trust	Post-employment Benefit Plan	0.00%
Kohinoor Power Company Limited	Associated Company [Significant Influence]	0.00%
Kohinoor Energy Limited	Associated Company [Common Directorship]	0.00%
Mr. M. Murad Saigol	Key Management Personnel [Chief Executive]	0.0025%
Mr. M. Zeid Yousuf Saigol	Key Management Personnel [Director]	3.6735%
Mr. Syed Manzar Hassan	Key Management Personnel [Director]	0.0002%
Mr. Naseem Saigol	Key Management Personnel [Director]	25.4451%
Mrs. Sehyr Saigol	Key Management Personnel [Director]	0.9466%
Mrs. Amber Haroon	Sponsor [major Shareholder]	21.4694%

Transactions with key management personnel are limited to payment of short term employee benefits. Transactiosn with post-employment benefit plan are limited to contributions made during the year. Transactiosn with sponsors are limited to obtaining share deposit money. The Company in the normal course of business carries out various transactions with its 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.

SHARIAH COMPLIANCE

SHARĪ'AH ADVISOR'S REVIEW REPORT

To the Board of Directors of
PAK ELEKTRON LIMITED

بسم الله الرحمن الرحيم
نحمده ونصلي على رسوله الكريم

I have conducted the Shariah Review of Pak Elektron Limited ("the Company") for the year ended December 31, 2023.

To the best of my information and according to explanations given to me, I report that in my opinion the business transactions undertaken by the Company and all other matters incidental thereto are in conformity with Shariah requirements as well as the requirements of Shariah Governance Regulations, 2018. I further report that in my opinion:

a) The affairs of the Company have been carried out in accordance with rules and principles of Shariah, and specific Shariah opinion issued by me from time to time; and
b) A few cases which were required to be consulted in accordance with the Shariah principles and market practices have been discussed and duly resolved.
c) Any earnings that have been realized from sources or by means prohibited by Shariah have been credited to the charity account, where applicable.

Observations:

a) The Company has a part of its portfolio of assets covered through insurance companies instead of Shariah compliant Takaful. It must be fully converted into Takaful as soon as possible upon the next renewal.
b) The company has a part of its portfolio of finance through conventional finance instead of Shariah complaint financing facility. It also must be fully converted into Shariah complaint financing facility ASAP upon the next renewal.

Recommendations:

1. The charity amount should be fully distributed to the approved charitable organizations within the given time frame.
2. The management should continue its endeavor to comply with the ruling of Shariah in its business operation and future transaction.
3. The management should place its funds with Islamic Banking channels or Islamic windows of conventional banking channels.
4. Management should place a priority on Shariah-compliant trainings.

Conclusion:

In my opinion and to the best of my knowledge and information provided by **Pak Elektron Limited** ("the Company") management with relevant explanation, I am of the view that during the period overall business operations of the Company are Shariah Compliant.

May ALLAH make us successful in this world and hereafter and forgive our mistakes.

MUFTI ALTAF AHMED
Shariah Advisor

Dated: 31 March 2024

SHARIAH ADVISOR'S PROFILE

Mufti Altaf Ahmed has boastful academic background which comprises M.A Islamic Studies, M.A Arabic, MS Islamic Banking and Finance, Al-Takhasus Fil Ifta (Specialization in Islamic Jurisprudence), Shahadatul Aalimiyyah (Dars-e-Nizami) and Shahdaht-Hifz-e-Quran. Additional he has taken many courses and trainings including Banking, Halal Awareness, Accounting, Shariah Compliance and Audit, International Trade and Astronomy.

Mufti Altaf Ahmed has immense experience spanning over a decade in Shahriah Advisory and Consulting, Teaching and giving Shariah rulings.

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Eight as per the following,

   a) Male: Seven
   b) Female: One

2. The composition of the Board is as follows

Category	Names
Female/ Independent Director	Mrs. Sadaf Kashif
Independent Director	Mr. Muhammad Kamran Saleem
Non-Executive Directors	Mr. M. Naseem Saigol Mr. Anjum Nisar Mr. Shahid Iqbal Choudhri
Executive Directors	Mr. M. Murad Saigol Mr. M. Zeid Yousuf Saigol Syed Manzar Hassan

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. In terms of the requirement of the clause 19 of the CCG Regulations, we confirm that seven directors have completed the Directors Training Program (DTP) and one director is exempt from the DTP;

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.

    a) **Audit Committee:**

    1. Mr. Muhammad Kamran Saleem
    2. Mr. M. Naseem Saigol
    3. Syed Manzar Hassan
    4. Mrs. Sadaf Kashif

    b) **HR and Remuneration Committee:**

    1. Mr. Muhammad Kamran Saleem
    2. Syed Manzar Hassan
    3. Mrs. Sadaf Kashif

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,

    a) **Audit Committee:**

    1. March 27, 2023
    2. April 28, 2023
    3. August 29, 2023
    4. October 30, 2023

    b) **HR and Remuneration Committee:**

    1. April 04, 2023

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative

(spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Explanation as required under the Regulation 6(1) is mentioned below;

    "The Company currently has two elected independent directors out of total eight directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director."

M. Murad Saigol
Chief Executive Officer

M. Naseem Saigol
Chairman

Lahore:
04 April 2024

CORPORATE GOVERNANCE

AUDIT COMMITTEE'S REPORT ON COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Composition of the Audit Committee

Audit Committee of PEL's Board of Directors comprises of four directors. three members of the Committee including the Chairman are independent/non-executive directors and three members are financially literate. The names of the Audit Committee members are given on Page D 11 of the Report.

Financial Statements

The Committee has concluded its annual review of the Company's performance, financial position and cash flows during 2023, and reports that:

- The financial statements of PEL for the year ended 31 December 2023 have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the state of affairs of the Company, its profits, cash flows and changes in equity of the Company for the year under review.
- The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP.
- Appropriate accounting policies have been consistently applied, which have been appropriately disclosed in the financial statements.
- The Chairman of the Board, Chief Executive Officer, one director and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All related Party transactions have been reviewed by the Committee prior to approval by the Board.
- The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the External Auditors of the Company.
- Understanding and compliance with the codes and policies of the Company has been affirmed by the members of the Board, the management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holding, if any, of Company's shares by Directors and executives or their spouses and dependent children were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction, which were notified by the Company Secretary to the Board.
- All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

Risk Management and Internal Control

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the audit committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.
- The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.
- The Company's approach towards risk management and the kinds and detail of risks along with mitigation measures are disclosed in the Risks and Opportunities' section of this Report.

Internal Audit

- The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function.
- The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions where necessary orb rought the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable financial reporting system.

External Auditors

- The statutory Auditors of the Company, Rahman Sarfaraz Rahim Iqbal Rafiq., Chartered Accountants, have completed their audit of the Company's Financial Statements, review of the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019, for the financial year ended 31 December 2023 and shall retire on the conclusion of the 68th Annual General Meeting of the Company.
- The Audit Committee has discussed the audit process and the observations, if any, of the auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- The Auditors either attended or were available for discussions, during the audit committee meetings where their reports were discussed. The Auditors confirmed their attendance of the 68th Annual General Meeting scheduled for 29 April 2024.
- Rahman Sarfaraz Rahim Iqbal Rafiq., Chartered Accountants also provide corporate consulting services to the Company. The firm has no financial or other relationship of any kind with the Company except that of External Auditor and Corporate Consultant.
- Being eligible, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have offered themselves to be reappointed as auditors for the financial year 2024.
- The Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Mr. Ali Raza Jaffery. Being eligible for reappointment as Auditors of the Company, the Audit Committee has recommended the appointment of Rahman Sarfaraz Rahim Iqbal Rafiq., Chartered Accountants as External Auditors of the Company for the year ending 31 December 2024 at a mutually agreed fee.

Whistle-Blowing Incidences

There were no whistle-blowing incidences reported during the year.

Annual Report 2023

The Audit Committee has reviewed this annual report and has concluded that this report is fair, balanced and understandable and it provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

The Audit Committee

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board, which included principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board's performance, which also included members of the Audit Committee was carried out separately and is detailed in the Annual Report.

Muhammad Kamran Saleem
Chairperson - Audit Committee

Lahore:
04 April 2024

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

72-A, Faisal Town,
Lahore - 54770, Pakistan.

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W: www.rsrir.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PAK ELEKTRON LIMITED
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ['the Regulations'] prepared by the Board of Directors of PAK ELEKTRON LIMITED ['the Company'] for the year ended 31 December 2023 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2023.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 04 April 2024

UDIN: CR202310704tUeHzYjTo

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

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DIRECTOR'S REPORT

CHAIRPERSON'S REVIEW

The Board is deeply committed to instilling and executing industry-leading practices, with a strong focus on transparency, accountability, exemplary governance, and safeguarding stakeholders' interests. PEL has meticulously designed internal controls and risk management systems in place, ensuring robust governance and proactive risk mitigation strategies.

Dear Shareholders

I commend the Board and management of your Company for their strategic foresight in adapting to the evolving times. Their proactive initiatives, such as investing in cutting-edge technologies, have significantly improved operational efficiencies and reduced costs.

In the fiscal year under review, the Company navigated a challenging landscape marked by a decline in gross revenue from 66.02 billion to 48.32 billion, primarily attributed to stringent import restrictions imposed by the State Bank of Pakistan. This period, characterized by volatility in foreign exchange reserves and regulatory interventions to curb imports, presented intricate hurdles for maintaining the supply chain's integrity. Amidst these complexities, the Company strategically recalibrated its volume projections, demonstrating astute foresight and adaptability in the face of evolving market dynamics. Furthermore, the impact of currency devaluation and inflationary pressures heightened operational costs, underscoring the need for agile cost-management strategies to mitigate financial strains.

Despite these formidable challenges, the Company exhibited resilience and innovation, resulting in a commendable growth in gross profit of Rs. 11,104 million. This performance underscores the Company's robust strategic planning and unwavering commitment to navigating uncertainties with precision and agility.

The Board held six meetings during the year to review and approve periodic financial statements, annual business plan and other matters requiring Board attention. The committees also held regular sessions to perform their duties assigned under their respective terms of references by the Board. The detail of these meetings is given on page ____. The performance of members of the Board has been commendable and together we steered the Company towards another year of success and good governance, despite the challenges posed by the pandemic and an unfavorable economic environment.

I am confident that going forward the Board shall continue to play its role towards sustainable company and safeguarding shareholders wealth.

M. Naseem Saigol
Chairperson

Lahore
04 April 2024

چیئر پرسن کا جائزہ

ڈئیر شیئر ہولڈرز

میں آپ کے کمپنی کے بورڈ اور انتظامیہ کو موجودہ بدلتے ہوئے حالات کے ساتھ نمٹنے کیلئے اپنائی گئی حکمت عملی پر خراج تحسین پیش کرتا ہوں۔ جوکہ پیداواری صلاحیتوں کو بڑھانے اور لاگت کو کم کرنے کیلئے جدید ٹیکنالوجی پر سرمایہ کاری جیسے اقدامات کر رہی ہے ۔

زیرہ جائزہ سال کے دوران ناسازگار معاشی ماحول کے باعث اس کے محصو لات 66.02 بلین روپے سے کم ہو کر48.32بلین روپے پر آگئے ہیں۔ جس کی بنیادی وجہ اسٹیٹ بینک آف پاکستان کی طرف سے درآمدات پر لگائی جانے والی پابندیاں ہیں اس عرصہ میں غیر ملکی زرمبادلہ کے ذخائز میں اتار چڑھاؤ اور درآمدات کو کنٹرول کرنے کے لیے عائد حکومتی پابندیوں کی وجہ سے خام مال کی ترسیل میں مشکلات کا سامنا رہا ہے۔ ان پیچید گیوں کو مد نظر رکھتے ہوئے کمپنی نے اپنے کاروباری حجم پر نظر ثانی کرنے کی حکمت عملی اپنائی جو کہ مارکیٹ کی بگڑتی ہوئی صورتحال میں ایک احسن قدم تھا۔

مزید برآں ملکی کرنسی کی قدر میں کمی اور بڑھتے ہوئے افراط زر کے باعث مصنو عات کی لاگت میں اضافہ ہوا جس کے اثرات کو کم کرنے کیلئے انتظامیہ نے بہترین حکمت عملی کا مظاہرہ کیا ان درپیش مسائل کے باوجود کمپنی نے بہترین کارکردگی کا مظاہرہ کر تے ہوئے 11,104ملین روپے کا خام منافع حاصل کیا اور کمپنی کی یہ شاندار کامیابی انتظامیہ کی بہترین حکمت عملی اور غیر یقینی کی صورتحال میں درست فیصلوں کی عکاس ہے ۔

دوران سال بورڈ آف ڈائر یکٹرز کے چاراجلاس منعقد ہوئے جن میں کمپنی کے مالیاتی گوشوارے، سالانہ پلان اور کچھ دیگر ضروری معاملات زیر غور آئے۔ بورڈ کی ذیلی کمیٹیوں نے بھی بورڈ کی ہدایات کی روشنی میں اپنے اجلاس منعقد کیے ۔جن کی تفصیل صفحہ نمبرD-03 پر دی گئی ہے ۔ بورڈ کے ممبران کی کارکردگی قابل تحسین رہی ہے اور ہم سب نے مل کرCovid-19 کے باعث درپیش مشکلات اور نا سازگار معاشی ماحول کے باوجود کمپنی کو بہتر حکمت عملی کے ساتھ ایک اور کامیاب سال کی طرف گامزن کیا ہے ۔

میں پر اُمید ہوں کہ آنے والے وقت میں بورڈ کمپنی کو مستقل بنیادوں پر مضبوط بنانے اور حصہ داران کے سرمایہ کے تحفظ کے لئے اپنا کردار ادا کر تا رہے گا۔

ایم نسیم سہگل
چیئر پرسن

لاہور
04اپریل 2024

CEO's REMARKS

In the face of challenging times, the Company has displayed remarkable resilience, expanding its market footprint despite facing profitability challenges stemming from escalating product costs, significant local currency depreciation, and ongoing inflationary pressures. Despite these headwinds, the Company's core business fundamentals remain strong, underpinning its potential for profit recovery as economic revival gains momentum. This steadfastness in adverse conditions highlights the Company's enduring capabilities and strategic vision for sustainable growth and profitability.

Dear Shareholders,

The political instability and transitions in government have introduced an additional layer of uncertainty and disruption to the business environment. Such uncertain political climates often trigger economic volatility, discourage investments, and disrupt supply chain operations, creating challenges for businesses to navigate. This instability has further contributed to dampened consumer confidence, prompting cautious spending habits among consumers. As a result, the combination of inflationary pressures, reduced disposable incomes among consumers, and political turbulence significantly impacted the Company's revenue generation, highlighting the intricate interplay between economic, political, and consumer sentiment factors.

During the period under review, the Company experienced a decrease in revenue from 66.02 billion to 48.32 billion, grappling with challenges such as inflation, heightened policy rates and fluctuations in the dollar-rupee parity. These factors exerted pressure on the Company's operational dynamics, necessitating significant price adjustments to offset costs. Nevertheless, the Company managed to achieve a notable growth in gross profit by Rs. 11,104 million, showcasing an improvement in gross profit percentage.

As we look forward, the successful conclusion of the IMF's review and the completion of national elections in 2024 are anticipated to usher in a gradual economic revival. This presents promising opportunities for the Company to regain momentum and thrive as the overall economic landscape improves.

Moreover, the Company is poised to capitalize on the anticipated growth in demand for its products, driven by factors such as rapid urbanization, lifestyle enhancements, and escalating electricity consumption, thereby further bolstering its market position and growth trajectory.

M. Murad Saigol
Chief Executive Officer

Lahore
04 April 2024

سی ای او کے تاثرات

ڈئیر شیئر ہولڈرز

سیاسی عدم استحکام اور انتقال اقتدار نے غیر یقینی کی صورتحال کو مزید تقویت دی ہے اور کاروباری سرگرمیاں متاثر ہوئی ہیں اس سیاسی کشیدگی نے معاشی سرگرمیوں ، سرمایہ کاری اور سپلائی چین کو متاثر کیا ہے ۔ جس سے کاروباری حالات نا سازگار ہوئے ہیں ۔مزید اس عدم استحکام کے باعث صارفین کے اعتماد میں کمی ہوئی ہے اور صارف خرچ کے حوالے سے محتاط رویہ اپنا رہا ہے جس کے نتیجے میں افراط زر میں اضافہ ، صارفین کی قابل خرچ آمدنی میں کمی واقع ہوئی ہے اور اس نے کمپنی کے محصو لات کو کافی حد تک متا ثر کیا ہے ۔

زیر جائزہ مدت کے دوران کمپنی کے محصولات گذشتہ سال کے 66.02بلین روپے کے مقابلے میں 48.32 بلین روپے رہے ہیں۔ جس کی بنیادی وجہ بڑھتا ہوا افراط زر، شرح سود میں اضافہ اور ڈالر کے مقابلے میں ملکی کرنسی کی قدر میں اتار چڑھاؤ جیسے عوامل ہیں ۔ ان عوامل نے کمپنی کی کاروباری سرگرمیوں کو بڑی حد تک متاثر کیا ہے ۔ جس کے باعث مصنوعات کی بڑھتی ہوئی لاگت کے اثرات کو کم کرنے کیلئے قیمتوں میں اضافہ کرنا پڑا۔

اس صورتحال کے باوجود کمپنی نے اپنے منافع کے مارجن کو بہتر کرتے ہوئے دوران سال11,104 ملین روپے کا منافع حاصل کیا جو کہ بہتر شرح منافع کو ظاہر کرتا ہے ۔

جیسا کہ ہم دیکھ رہے ہیں کہ آئی ایم ایف کے ساتھ کامیاب مذاکرات اور سال 2024ء میں کامیاب انتخابات کے بعد بتدریج معاشی بحالی کی توقع کی جارہی ہے ۔ مجموعی طور پر معاشی بہتری کے نتیجے میں کمپنی کے لیے ترقی کے بہترین مواقع پیدا ہونگے جس سے وہ ترقی کی منازل طے کرے گی ۔

مزیدبرآں مستقبل میںکمپنی کی مصنوعات کی طلب میں بھرپور اضافہ کی تو قع ہے۔ تیزی سے شہری علاقہ جات کی طرف انتقال آبادی ، معیار زندگی میں ہونے والی بہتری اور بجلی کی بڑھتی ہوئی کھپت اس کی بنیادی وجوہات ہیں ۔اس طرح اس کی مارکیٹ پوزیشن میں بہتری اور ترقی کی رفتار کو مزید تقو یت ملے گی ۔

ایم مراد سہگل
چیف ایگزیکٹو آفیسر
لاہور
04اپریل 2024ء

ECONOMIC AND INDUSTRY REVIEW

Economic Overview

Agriculture

For the Rabi season of 2023-24, wheat cultivation expanded to an estimated area of 9.160 million hectares, surpassing the sowing target of 8.998 million hectares by 1.8 percent, achieving a production target of 32.12 million tons. Climatic conditions in the country are conducive, indicating an expected increase in Rabi season crop production.

The utilization of farm inputs progressed well, thanks to government interventions aimed at enhancing agriculture productivity. These interventions include ensuring the availability of improved seeds, agricultural credit, farm machinery and fertilizers. During July-December FY2023-24, farm tractor production and sales surged by 67.5 percent to 23,610 and 103.3 percent to 23,411 respectively, compared to the same period last year. Agriculture credit disbursement during this period reached Rs 1,105.8 billion, marking a substantial increase of 31.3 percent from the previous year.

Manufacturing

Large Scale Manufacturing (LSM) saw a decline of 0.8 percent during July-November FY2024, compared to a contraction of 2.3 percent in the same period last year. In November 2023, LSM increased by 1.6 percent year-on-year, contrasting with a decline of 4.9 percent in the same month the previous year. In July-December FY2024, the performance of the auto industry remained subdued due to a significant increase in input prices and tightened auto finance. Car production and sales decreased by 56.9 percent and 55.5 percent, respectively, while trucks and buses production and sales decreased by 56.9 percent and 49.6 percent respectively. However, tractor production and sales increased by 67.5 percent and 103.3 percent, respectively.

The sale of petroleum products declined by 15 percent during July-December FY2024 to 7.68 million tons compared to 9.03 million tons in the same period last year. In December 2023, oil sales were recorded at 1.24 million tons, down 7.0 percent year-on-year.

Cement dispatches witnessed an increase of 4.63 percent in the month of December 2023. Total cement sales (domestic and exports) during July-December FY2024 were 23.876 million tons, 9.7% increase from 21.764 million tons dispatched during the corresponding period last year. Domestic dispatches during this period were 20.223 million tons, showing a modest increase of 0.97 percent. However, export dispatches surged significantly by 110.66 percent, totaling 3.653 million tons

Inflation

CPI inflation was recorded at 29.7 percent on a year-on-year basis in December 2023, compared to 24.5 percent in December 2022. During July-December FY 2024, CPI stood at 28.8 percent, up from 25.0 percent in the same period last year. On a month-on-month basis, it increased to 0.8 percent, compared to an increase of 2.7 percent in the previous month. The SPI for the week ended on January 25, 2024, recorded a decrease of 0.14 percent compared to the previous week. Prices of 13 items declined, 23 items remained stable, and 15 items increased.

Fiscal

The consolidated fiscal deficit stood at 2.3 percent of GDP (Rs. 2,407.8 billion) in July-December FY2024, compared to 2.0 percent of GDP (Rs. 1,683.5 billion) last year. However, there was continuous improvement in the primary surplus due to controlled growth in non-mark-up spending relative to markup payments. The primary surplus increased to Rs. 1,812.2 billion (1.7 percent of GDP) during July-December FY2024 from Rs. 889.6 billion (1.1 percent of GDP) last year. Total tax revenues during July-December FY2024 grew by 46 percent, reaching Rs. 6,854.0 billion from Rs. 4,698.9 billion last year. This significant growth was driven by a substantial increase of 109 percent in non-tax collections, reaching Rs. 2,019.7 billion and a 30 percent growth in FBR tax collections, amounting to Rs. 4,469.2 billion during July-December FY 2024. The notable rise in non-tax collection is mainly attributed to higher receipts from mark-up, SBP profit and petroleum levy.

Total expenditures grew by 45 percent, reaching Rs. 9,261.8 billion during July-December FY2024 against Rs. 6,382.4 billion last year. Within total expenditures, current spending increased by 41 percent mainly due to a 64 percent rise in mark-up payments during the first six months of the current fiscal year.

Monetary Sector

From July 1 to December 29 in FY24, the money supply grew by 4.4% (Rs 1,386.6 billion), compared to a growth of 0.9% (Rs 246.8 billion) last year. Net Foreign Assets (NFA) increased by Rs 569.0 billion, contrasting with a decrease of Rs 1,155.4 billion last year. Meanwhile, Net Domestic Assets (NDA) of the banking sector increased by Rs 817.6 billion, compared to an increase of Rs 1,402.2 billion last year. The Private Sector borrowed Rs 373.5 billion, down from borrowing Rs 581.2 billion last year.

External Sector

The Current Account showed a deficit of $831 million for July-December FY2024, compared to a deficit of $3.6 billion last year, indicating an improved trade balance. Exports (FOB) increased by 7.5% to $15.3 billion, while imports (FOB) declined by 14.7% to $25.2 billion. Consequently, the trade deficit was $9.9 billion, down from $15.4 billion last year.

During this period, exports in services decreased by 2.7% to $3,766 million, while imports in services increased by 25.5% to $5,196 million. The trade deficit in services stood at $1,430 million, compared to $270 million last year.

Export commodities showing positive growth include Rice (48.4% in quantity and 76.5% in value), Fruits (37.6% in quantity and 9.3% in value), Cotton Yarn (81.6% in quantity and 54.2% in value), Towel (13.4% in quantity and 1.7% in value), Rubber Tyres & Tubes (6.1% in quantity and 33.9% in value), and Plastic Materials (122.2% in quantity and 46.6% in value).

Main imported commodities were Petroleum products ($3,193.8 million), Petroleum crude ($2,611.2 million), LNG ($1,852.9 million), Palm Oil ($1,388.1 million), Plastic materials ($1,163.2 million), Iron & Steel ($990.6 million), and Medicinal products ($534.1 million).

Foreign Investment

Total foreign investment during July-December FY2024 recorded an inflow of $933.7 million, compared to an outflow of $393.3 million last year. Foreign Direct Investment (FDI) stood at $862.6 million, marking a 34.8% increase from $640.0 million last year. FDI from China accounted for $292.8 million (33.9% share), Hong Kong $191.0 million (22.1%), UK $121.6 million (14.1%), Netherlands $69.4 million (8.0%), and Switzerland $25.3 million (2.9%). The Power sector attracted the highest FDI of $433.5 million (50.3% of total FDI), followed by Oil & Gas exploration at $129.8 million (15.0%), and Financial Business at $91.1 million (10.6%).

Foreign Private Portfolio Investment recorded a net inflow of $70.8 million during the period, while Foreign Public Portfolio Investment had a net inflow of $0.2 million. Overall, the total Foreign Portfolio Investment (FPI) recorded an inflow of $71.0 million, a significant improvement from the outflow of $1,033.3 million last year.

Worker's Remittances

In Jul-Dec FY2024, workers' remittances recorded at $ 13.4 billion ($ 14.4 billion last year), decreased by 6.8 percent. YoY remittances increased by 13.4 percent in December 2023 ($ 2.4 billion) as compared to December 2022 ($ 2.1 billion) whereas MoM remittances increased by 5.4 percent in December 2023 ($2.4 billion) as compared to November 2023 ($ 2.3 billion) owing to structural reforms related to exchange companies and consequent convergence of exchange rates in interbank and open markets.

Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to $ 13.2 billion on January 29, 2024, with SBP's reserves stood at $ 8.2 billion and Commercial banks' reserves remained at $ 5.0 billion.

Performance of KSE Index

The performance of Pakistan Stock Exchange (PSX) remained positive in December 2023. The benchmark KSE-100 the index closed at 62,451 points as of 29 December 2023 and gained 1,924 points over the month. Similarly, the market capitalization of PSX increased by Rs 334 billion (3.8 percent) and settled at Rs 9,063 billion by end December 2023. During December, the performance of major world stock market indices showed a mixed picture. The Sensex 30 of India increased by 7.8 percent followed by S&P 500 of US (4.4 percent), KSE-100 and CAC 40 of France (3.2 percent). Contrary, SSE Composite of China declined by 1.8 percent.

Social Sector

BISP has disbursed a quarterly tranche (Oct–Dec,2023) of Rs 8,500 per household under Kafaalat cash assistance to around nine million registered beneficiary families. Pakistan Poverty Elevation Fund (PPAF) through its 24 Partner Organizations has disbursed 33,136 interest free loans amounting to Rs 1.48 billion during December, 2023. Since the inception of interest free loan component, a total of 2,595,982 interest free loans amounting to Rs 98.10 billion have been disbursed to the borrowers.

Pakistan is one of the largest labor exporting countries in the region. During 2023(CY) Bureau of Emigration & Overseas Employment has registered 859,846 workers including 57,360 workers in December 2023 for overseas employment in different countries. Under Prime Minister Youth Business and Agriculture Loan Scheme the government has disbursed Rs 57,669 million till November 2023 to 90,625 beneficiaries for business.

Industry Overview

During the first half (July-December) of FY24, growth in the large-scale manufacturing industries saw a 0.39% decline compared to the same period last year. The State Bank of Pakistan's measures to address inflationary pressures, coupled with a slowdown in growth momentum and challenges on the external economic front, contributed to lower outputs. Throughout the year, production levels were significantly affected by acute supply chain issues, rising production costs, and pressure on disposable incomes. Despite these challenges, the demand for electrical equipment continued to grow, supported by ongoing government efforts to enhance electricity transmission and distribution infrastructure.

According to the Pakistan Bureau of Statistics, there was a year-on-year production decrease in CY 23, with Refrigerators declining by 17.60%, Air Conditioners by 45.61%, LED TVs by 31.91%, and Deep Freezers by 25.79%.

In CY 23, the Power Division's products showed a year-on-year production decrease in Transformers, Energy Meters, and Switch Gears at rates of 41.76%, 8.69%, and 24.36%, respectively.

COMPANY OVERVIEW

Operating Results

Summary of operating results is presented below:

Rupees in million

	2023 *(Actual)*	2023 *(Budget)*	2022 *(Actual)*
Gross revenue	**48,324**	49,823	66,028
Gross profit	**11,104**	9,070	10,301
Operating profit	**6,952**	4,727	5,439
Finance cost	**3,649**	3,623	3,090
Profit before tax	**3,304**	1,104	2,348
Profit after tax	**1,325**	613	1,067
Earnings per share - Rupees	**1.50**	0.67	1.33

The Company's decrease in gross revenue from 66.02 billion to 48.32 billion attributed primarily to the import restrictions imposed during the year by the State Bank of Pakistan. In this turbulent year, with respect to the foreign exchange liquid reserves of the country, some drastic measures were taken by regulators to curb the imports. This made it a highly challenging year to maintain the value chain of the supply side. The Company in sight of these challenges planned itself for lesser volumes for the year. Besides, currency devaluation and inflationary pressures elevated costs for the Company; however these limited supplies largely benefited the Company to take advantage and pass on the impact of higher cost to the consumers by price increases hence robust improvement in gross profit percentage for the year. The Company witnessed a growth in its gross profit by Rs. 803 Million. This resilience and adaptability are indicative of the Company's strong strategic planning.

The political instability and transition of government added another layer of uncertainty and disruption to the business environment. Uncertain political climates lead to economic volatility, deter investment and disrupt supply chain operations. This instability dampened consumer confidence, leading to cautious spending behaviors. Consequently, the confluence of inflation, lesser disposable consumer incomes and political instability and transition of governance significantly impacted the company's revenue generation.

The Power Division's revenues experienced an 18.20% decrease, amounting to Rs. 26,024 million compared to the previous year's Rs. 31,814 million. Rapidly growing urbanization and life style improvements, necessitated increased electricity consumption. To cater the growing electricity demand, government is proactively taking care of Transmission and Disptach infrastructure augmentation, which is at the back of robust electrical equipment demand. Further, industries and housing are generating an incremental demand of power division products over and above WAPDA Discos demand.

The Home Appliances Division witnessed a decline in revenues by 34.82%, totaling Rs. 22,299 million compared to the previous year's Rs. 34,214 million. This decline can be attributed to restricted supply side during the year limiting the import of raw materials during the year. Additionally, product cost escalation due to inflationary trends, substantial depreciation of the Pak rupee and increased policy rates also contributed to the economic slowdown.

A comprehensive review of the Company's financial and non-financial performance is presented on pages ___ through ___.

Company Matters of Significance

Best Corporate Report Award

The Company achieved a significant milestone by receiving the Best Corporate Report Award for its Annual Report 2022. This achievement was celebrated as the Company secured the 1st position in the "Engineering and Auto Sector," as evaluated by the Joint Committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). The recognition brought immense joy and pride to the Company, highlighting its commitment to transparency, excellence in reporting, and adherence to industry standards. This accolade not only honored the Company's efforts but also showcased its leadership and dedication to corporate governance and accountability.

Credit Rating

Pakistan Credit Rating Agency Limited – PACRA, the country's leading credit rating agency, ranked the Company long term A+ (High Credit Quality) and short term A1 (A strong capacity for timely repayment) with stable outlook.

PRODUCT WISE OPERATING PERFORMANCE

Refrigerators

Refrigerators, as the Company's flagship product, played a significant role by contributing 60.18% of the appliance division's revenues and 27.77% towards the overall company revenues during the year. However, product revenues experienced a decline of 23.99% due to the prevailing issues related to supply side as highlighted earlier.

As a resolve to the continuous product improvement, Refrigerator with attractive and compatible room decor, energy efficient and attractive new glass door design are added in bedroom category of this product during the year. Further modifications in already launched models have been made like PCM side panels are implemented to improve productivity and aesthetics. Strengthened and cost-effective packaging is introduced. Printing is also added on internal parts to improve inside looks.

In addition to its product development initiatives, the Company's effective marketing campaigns and dedicated sales efforts have been instrumental in maintaining its market share in this fiercely competitive environment. Despite a gap in product penetration, there is ample room for market expansion. Being among the leading refrigerator manufacturing companies, the Company boasts state-of-the-art manufacturing facilities and a highly responsive nationwide sales and after-sales service network, positioning it well to capture a larger market share.

However, challenges persist, particularly concerning product costs. The Company expects ongoing pressure on product costs due to increasing trends in global commodity prices and the fragility of the local currency. Despite these challenges, the Company's strategic positioning and proactive approach to market expansion and customer service place it in a favorable position to navigate the market dynamics and sustain its competitive edge.

Air Conditioners

Air Conditioners (AC) rank as the second-highest revenue-generating product after refrigerators. However, during the review period, AC business revenues decreased significantly by 51.12% contributing 20.84% to the Home Appliances Division's revenue and 9.62% to the overall company revenue.

In 2023, PEL continued its successful journey in the air conditioner market by introducing new models to meet customer demand. One notable addition is the Airy Series, which now includes an only Cool Model to cater to specific customer preferences. Additionally, the Floor Standing model range has been expanded with the introduction of the new "24K Alpine" model, offering customers more options in the Floor Standing category. These strategic moves reflect PEL's commitment to innovation and customer satisfaction in the air conditioner segment.

The AC business holds significant growth potential, driven by overall lifestyle improvements. However, the current economic downturn has slowed down its growth momentum. Despite this, the Company's fundamentals in the air conditioner business remain strong and poised for growth once the economy rebounds.

The Company is committed to launching energy-efficient and aesthetically improved products in the future, aligning with evolving consumer preferences and environmental concerns. Additionally, the Company's nationwide and highly responsive after-sales service network plays a crucial role in winning consumer confidence. This commitment to quality products and excellent customer service positions the Company well for future success in the air conditioner market.

Deep Freezers

The decline in Deep Freezer business revenues by 49.22% can be attributed to the prevailing challenges of economic slowdown. However, amidst these challenges, the Company's consumer-specific customized products, incorporating "O Zone Friendly Refrigerants" as mandated by the UN Montreal Protocol, stand as the preferred choice among multinational corporations (MNCs) and local corporates alike. These meticulously designed products are tailored to meet the exacting demands of ice cream and beverage companies, showcasing the company's commitment to excellence and environmental responsibility.

Moreover, the Company's adeptness in crafting purpose-driven solutions has fostered robust business relationships with major industry players, solidifying its position as a leader in delivering bespoke solutions that precisely align with the dynamic needs of its corporate clientele.

The continuous advancements in the food preservation sector signal a growing demand for products overall. Our company, with its focus on quality products, extensive nationwide sales and after-sales service network, and ongoing research and development (R&D) initiatives, is confident in its ability to capitalize on this trend and expand its market share.

Microwave Ovens

The decline in Microwave Oven revenues by 47.95% during the financial year can be primarily ascribed to the prevailing economic deceleration. However, notwithstanding this downturn, the Company's microwave ovens remain distinguished by their cutting-edge product features, delivering consumers an unparalleled and distinctive culinary experience.

In response to user demand, PEL has introduced a new Digital Model called "PMO 26 CHEF" with Grill Function and a sleek Blackish look. Further, a big size convection model “PMO 30 Convection” is also introduced with rotisserie function for baking and cooking.

PEL's microwave ovens cater to diverse customer needs with both manual and digital interfaces. The Company's microwave ovens are well-received in the local market due to their cost-effective designs, space-saving shapes and customizable cooking experiences.

With ongoing lifestyle improvements and urbanization, the demand for microwave ovens is expected to increase, presenting growth opportunities. PEL is strategically positioned to capture a larger market share in this segment, leveraging its innovative product offerings and understanding of evolving customer preferences.

Water Dispensers

The rapid growth in water dispenser demand can be attributed to overall lifestyle improvements and increasing urbanization trends. Recognizing this market potential, the Company responded to consistent demand and launched locally manufactured water dispensers in 2017. However, despite the initial success, water dispenser revenue experienced a notable 40.67% decline during the year, primarily due to economic slowdown.

Undeterred by these challenges, the Company remains committed to its ongoing research and development efforts. This commitment is aimed at introducing cost-effective and aesthetically improved water dispensers to meet evolving consumer preferences and market demands.

LED Televisions

In the year under review, LED business revenues experienced a decline of 57.51% due to the prevailing economic slowdown. LED TVs have emerged as a prominent product in today's consumer market, reflecting evolving consumer preferences and technological advancements.

With the rise in internet usage and the need for more energy-efficient devices, the demand for smart LED TVs has become essential in the realm of home appliances. PEL, understanding the market demands and the continuous advancement of technology, has introduced new innovations in LED TVs. The following products have been launched by PEL in the consumer market:

- Conventional Non-Smart LED TVs in sizes 32", 43", and 49" inches;
- Smart Android-Based LED TVs with functionalities like social media apps such as YouTube, Facebook, and Netflix in sizes 32", 43", and 49" inches; and
- Smart Mirroring Services for mirroring iPhone or Android Phones on LED Tvs.

These features have garnered consumer interest, leading to requests to convert their non-smart LED TVs into smart ones. The core business principles of the LED TV sector remain solid, and as the economy rebounds due to urbanization and improved civic standards, growth is expected to resume. The Company's ongoing research and development efforts aim to launch cost-effective, high-quality products with the latest features. With its excellence in product manufacturing, the company is well positioned to capture a larger market share.

Washing Machines

Responding to consistent market demand, the Company established a manufacturing facility for washing machines and commenced commercial production in July 2019. Since its market launch, the Company's washing machines have garnered positive reception and acceptance in the market. During the year under review, the Company registered a 7.11% drop in revenues, attributed to the prevailing economic slowdown and constraints on imports.

The growth drivers for the Company include addressing the product penetration gap, leveraging rapid urbanization, and tapping into improving lifestyles. The business fundamentals of the products are strong and poised for growth, particularly as the country's economy revives. These factors collectively contribute to a positive outlook for the Company's growth trajectory.

Distribution Transformers

The Company has consistently maintained its leading position among Distribution Transformer Manufacturers in Pakistan, despite facing increased competition in recent years. This achievement is primarily attributed to its advanced Distribution Transformer manufacturing and testing facility established in 2009, initially with technology transfer from PAUWELS, Belgium. Upholding a "NO COMPROMISE" policy on High Quality Standards, PEL has successfully attained and upheld several prestigious Global Quality & Safety Certifications including ISO 9001, ISO 17001, ISO 17025. Moreover, PEL takes pride in being the sole company in Pakistan with CE marking, ensuring user safety for Distribution Transformers.

The Company is actively pursuing strategies to boost exports, including market diversification and enhancing product competitiveness, to capitalize on global opportunities and drive revenue growth.

In the current year, the revenue from Distribution Transformers has experienced a decline of 18.02% compared to the previous year. The revenue for this product in the current year stands at 9,024 Million, constituting 34.68% of the Power Division's revenue and 18.68% of the Company's total revenue. Political instability, uncertainties, created a challenging business environment, affecting investment decisions, infrastructure projects, and overall economic activities, which in turn impacted the demand for Distribution Transformers and subsequently lead to a decline in revenue.

PRODUCT WISE OPERATING PERFORMANCE

Power Transformers

The Power Transformer stands as the fundamental pillar within any electrical network, ensuring the seamless continuity and stability of electrical supply to a vast consumer base of distribution companies. Embracing its legacy of technological prowess, the Company initiated this line of production in 2004 and has since maintained its distinction as the sole manufacturer of power transformers to have transitioned to 132kV equipment manufacturing in Pakistan. The Company, in line with its business strategy foreseeing increase in demand for Power Transformers, has already installed Power Transformer manufacturing facility at 34 KM Ferozepur Road, Lahore. PEL embarked on this journey through a strategic technical collaboration with GANZ Hungary, leveraging their extensive expertise in designing and manufacturing extra high voltage power transformers.

The revenue generated from Power Transformers in the current year has seen a downturn of 31.44% compared to the preceding year, amounting to Rs. 7,123 million. This revenue segment constitutes 27.37% of the Power Division's total revenue and contributes 14.74% to the Company's overall revenue.

The Company maintains rigorous quality control standards throughout the entire manufacturing process of Power Transformers. It has also upgraded its testing facilities with state-of-the-art equipment to ensure the delivery of reliable and trouble-free transformers to its valued customers. Notably, PEL stands out as the only company in Pakistan with a significant presence of over 730 units of 132kV Power Transformers installed nationwide.

Pakistan has made substantial strides in augmenting its power generation capacity to meet desired levels. The subsequent priority is to enhance its transmission and distribution network, a development that is poised to escalate the demand for Power Transformers, critical components of grid stations. We are optimistic that your company, as a pivotal player in this sector, will capture its rightful market share from WAPDA Distribution Companies.

Following the conclusion of the election process, the expansion of the industrial sector is anticipated to persist. Concurrently, the growth of the housing sector, propelled by rapid urbanization and population pressures, will lead to a surge in the demand for Power Transformers.

Our primary focus will be on continual research and development, enabling us to not only meet local demands but also to venture into new markets beyond Pakistan's borders.

Switchgears

The Company holds a prestigious position as one of the pioneers in the Switch Gear Industry in Pakistan, actively involved in the Switch Gear business since its establishment in 1958. PEL stands out as one of the leading manufacturers in Pakistan in this sector.

During the year, Switch Gear revenues amounted to Rs. 5,941 Million, marking a 20.62% decrease compared to the previous year. The Company has established a technical partnership with Schweitzer Engineering Laboratories (SEL) based in the USA, through which it has been at the forefront of providing advanced technology solutions to the power industry and public utilities. These solutions encompass cutting-edge capabilities in Substation Automation Systems (SAS), Industrial Power System Automation, and Satellite Synchronization of Power System Control.

PEL's Switchgear division is continuously engaged in new product development to align with the latest international quality standards and fulfill customer demands. A significant milestone was reached with the successful type testing of LS-Electric Korean make Vacuum Circuit Breaker (VCB) at the renowned testing Laboratory KERI in Korea. This achievement led to the approval of VCB by the National Transmission Dispatch Company (NTDC) in accordance with the National Transmission and Dispatch Company Limited (NTDC) specifications P-44:2018, marking another noteworthy accomplishment for PEL.

With the escalating electricity consumption, the future demand for switchgear products is anticipated to surge from both WAPDA Discos and the private sector. The Company, equipped with state-of-the-art manufacturing and testing facilities, is highly confident in its ability to capitalize on this growth opportunity and expand its market share.

Energy Meters

During the review period, energy meter revenues saw a significant increase of 71.34% as compared with the last year. This growth is attributed to the government's initiatives aimed at upgrading electricity metering infrastructure, which is part of efforts to address the rapidly increasing circular debt in the power sector.

The Company's Three Phase Direct Connected Electronic Energy Meter has received approval from the NTDC. Additionally, the Single-Phase Electronic Energy Meter and LT/HT Type Multifunction Dual Power Supply Energy Meter, designed for Medium and High Voltage Applications in LV & HV Switchgear, are currently undergoing the approval process.

In response to the escalating circular debt issue, PEPCO is actively pursuing the implementation of AMR/AMI (Advanced Metering Infrastructure) in Pakistan, aiming for precise and efficient metering revenue collection. The enhanced metering environment, equipped with cutting-edge technologies, is expected to facilitate effective control over electricity theft, with the Company's energy meters positioned as highly competitive to meet these expectations.

To comply with market demands, the Company has developed a DLMS-compliant three-phase electronic meter directly connected with a GSM/GPRS module, receiving certification from the DLMS Organization—an international body that ensures interoperability of Smart Metering/AMI Systems worldwide.

Furthermore, in alignment with the global shift towards alternative and clean energy sources to mitigate atmospheric pollution, the Company has introduced its self-designed NET METERING unit after obtaining approval from PEPCO. This unit records energy flow from alternate sources alongside the main WAPDA system.

With the increasing urbanization, industry revival, and developments in the housing sector, the demand for energy meters is expected to experience significant growth.

EPC Contracting

PEL's EPC Department specializes in handling turnkey contracts encompassing Engineering, Procurement, and Construction (EPC) for power infrastructure projects. These projects involve the development of electrical networks, electrification initiatives, and grid stations up to 220 KV level.

During the fiscal year under assessment, the EPC Business experienced a significant 96% decrease in revenue. This decline is primarily attributed to the Company's revised business plan, which was necessitated by shifts in business dynamics characterized by longer working capital cycles and reduced margins in the prevailing economic environment. The Company intentionally downsized its operations to effectively manage working capital deployment.

Despite these challenges, the EPC Business continues to hold immense potential, especially with the development of proposed Special Economic Zones (SEZs) under CPEC arrangements. Your company remains well-prepared to capitalize on emerging opportunities in this sector in the future.

FINANCIAL PERFORMANCE

FINANCIAL KEY PERFORMANCE INDICATORS

Gross Revenue

2023: Rs. 48,324mn | 2022: Rs. 66,028mn

KPI Relevance

Reflects financial health and growth of the Company's core business activities.

PEL Performance 2023

Decrease in gross revenue is attributed primarily to the import restrictions imposed during the year. Additionally, lower purchasing power caused by high inflation rates made products less affordable for consumers, further dampening sales.

Gross Profit

2023: Rs. 11,104mn | 2022: Rs. 10,301mn

KPI Relevance

Measures efficiency in production and pricing, indicating the profitability of goods/services sold.

PEL Performance 2023

Despite the drop in revenue, the Company saw an uptick in its gross profit which underscores the company's adeptness at cost management and operational efficiencies amidst the challenging economic climate.

Operating Profit

2023: Rs. 6,952mn | 2022: Rs. 5,439mn

KPI Relevance

Assesses operational efficiency and profitability excluding non-operating factors.

PEL Performance 2023

Operating profit increased as a result of reduction in selling expenses due to a more streamlined and cost-effective approach to sales activities, while improving administrative effectiveness through better management of overhead costs.

Net Profit Margin

2023: 3.43% | 2022: 2.04%

KPI Relevance

Provides a clear picture of the company's bottom-line profitability after accounting for all expenses and taxes.

PEL Performance 2023

The increase in finance costs in the current year posed a challenge, yet despite this, the Company managed to improve its net profit margin significantly reflecting the Company's ability to navigate financial complexities.

Earnings per Share

2023: Rs. 1.50 | 2022: Rs. 1.33

KPI Relevance

Indicates the portion of the Company's profit allocated to each outstanding share, crucial for assessing profitability per share.

PEL Performance 2023

The growth is attributable to increased operating profit, cost management strategies, and efficient utilization of resources contributing to enhancing the overall financial performance and generating stronger returns for investors.

Return on Equity

2023: 3.20% | 2022: 2.74%

KPI Relevance

Measures how effectively the Company generates profit from shareholders' equity, reflecting its efficiency usage of equity.

PEL Performance 2023

ROE indicates the Company's ability to generate returns for shareholders based on its equity investments. The increase can be attributed to effective utilization of shareholder equity and strategic financial management.

Market Value per Share

2023: Rs. 22.58 | 2022: Rs. 12.95

KPI Relevance

Represents investors' perception of the company's value and growth prospects in the stock market.

PEL Performance 2023

This surge in market value per share reflects the market's perception of the Company's improved financial performance, growth prospects, and overall investor confidence led by strong earnings growth in a challenging environment.

Current Ratio

2023: 2.02 times | 2022: 1.87 times

KPI Relevance

Evaluates the company's short-term liquidity and ability to cover its short-term liabilities with its short-term assets.

PEL Performance 2023

This improvement in the current ratio indicates an enhanced ability to meet short-term financial obligations and manage liquidity more effectively and is attributed to better inventory management and a reduction in short-term liabilities.

FINANCIAL POSITON ANALYSIS

Share Capital and Reserves

2023: 41,425mn | 2022: 38,958mn

The augmentation in share capital and reserves by Rs. 2,467 million represents a robust reinforcement of the Company's financial foundation and overall equity position, marking a notable 6% increase. With a heightened share capital and reserves amounting to Rs. 41,425 million as at the close of 2023, the Company demonstrates its adeptness in accumulating resources for prospective investments, expansion endeavors, and strategic ventures. This elevation not only fortifies its financial stability but also augments its long-term growth potential.

Borrowings

2023: 15,974mn | 2022: 22,879mn

The Company witnessed a substantial reduction in borrowings, plummeting from Rs. 22,879 million to Rs. 15,974 million, marking an impressive 30% decline from the previous year. This downtrend underscores the Company's concerted efforts towards deleveraging and enhancing its financial leverage position, while concurrently amplifying reliance on internally generated cash flows.

Trade and Other Payables

2023: 3,230mn | 2022: 1,452mn

The ascension in payables indicates an elevated level of liabilities owed to suppliers and other creditors vis-à-vis the preceding year. The remarkable surge in trade and other payables from Rs. 1,452 million to Rs. 3,230 million primarily stems from the utilization of usance LCs. These instruments enabled the Company to defer payments to suppliers amid import restrictions, while also facilitating cash flow management and international trade transactions. Effective management of these payables is imperative to sustain healthy cash flow dynamics and nurture robust vendor relationships.

Property, Plant, and Equipment

2023: 28,164mn | 2022: 25,548mn

Property, plant, and equipment witnessed an upswing of 10%, escalating from Rs. 25,548 million to Rs. 28,164 million from last year. This increase is attributable to a CAPEX infusion of Rs. 2,203 million during 2023. Additionally, a noteworthy increase of Rs. 1,692 million ensued from asset revaluation conducted within the year. However, this elevation was partially offset by a depreciation charge of Rs. 1,245 million and the disposal of assets with a net book value of Rs. 34 million.

Stock in Trade

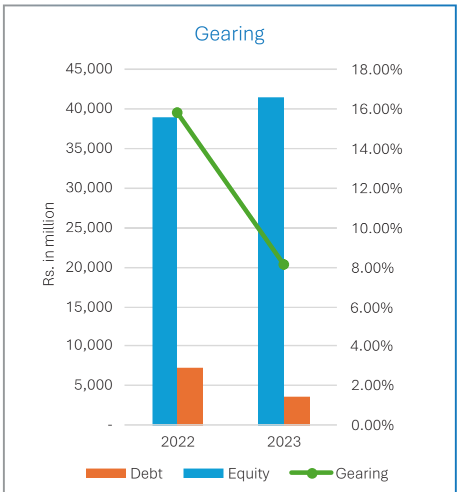
2023: 11,687mn | 2022: 13,825mn

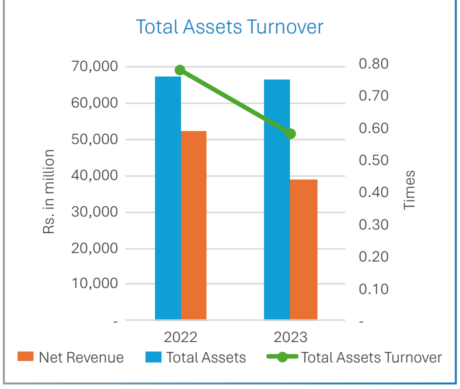
The decline in stock in trade from Rs. 13,825 million to Rs. 11,687 million is credited to efficient inventory management practices, notwithstanding reduced inventory turnover due to diminished sales and production volumes. Strategic adjustments in procurement activities, aligned with fluctuating market demand and economic exigencies, further contributed to this decline.

Trade Receivables

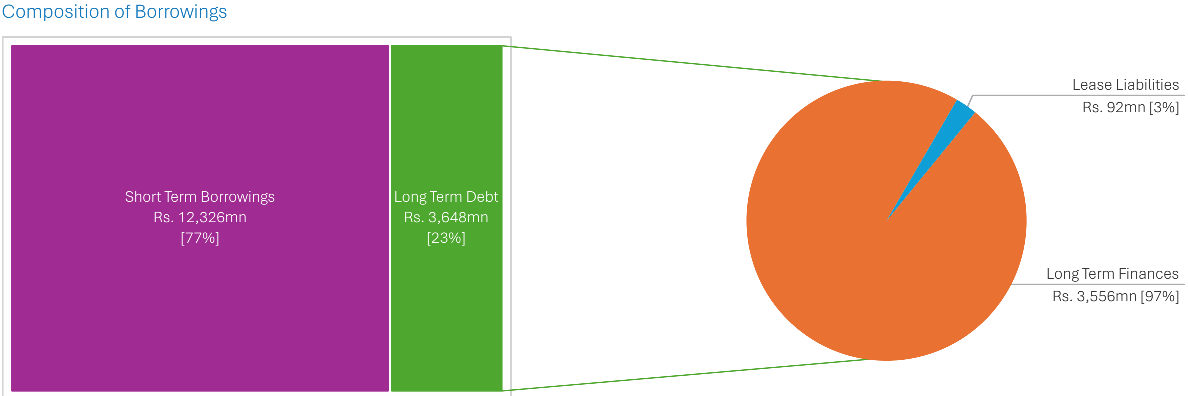
2023: 14,313mn | 2022: 15,681mn

Efficient management of trade receivables is imperative for fostering robust cash flow dynamics and mitigating bad debt risks. By ensuring prompt payment collection and diligently monitoring credit terms, the Company bolsters liquidity, fortifies financial stability, and enhances overall working capital management. Decrease in trade receivables from Rs. 15,681 million to Rs. 14,313 million is attributed to enhanced credit management practices, proactive collection efforts, and recalibration of credit terms. Additionally, diminished sales during the year also contributed to the lower trade receivables.





Composition of Borrowings



FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE ANALYSIS

Gross Revenue

2023: 48,324mn | 2022: 66,028mn

In 2023, the Company experienced a notable decline in gross revenue, which amounted to Rs. 48,324 million, a significant drop compared to the preceding year's record high of Rs. 66,028 million. This decline is primarily attributed to the stringent import restrictions enforced throughout the year. Furthermore, the prevailing economic slowdown, diminished consumer purchasing power, inflationary pressures, and political uncertainties collectively contributed to the subdued demand and sales figures witnessed during the period.

Cost of Sales

2023: 27,581mn | 2022: 42,085mn

A reduction in the cost of sales was observed, decreasing from Rs. 42,085 million in 2022 to Rs. 27,581 million in 2023, marking a substantial year-on-year decrease of 34%. This decline can be chiefly ascribed to lowered factory overhead costs and a reduction in closing stock levels, indicative of enhanced operational efficiencies and refined cost management strategies. Such improvements underscore the Company's adeptness at navigating cost dynamics and optimizing production processes, even amidst the challenging economic milieu.

Operating Expenses

2023: 4,255mn | 2022: 4,941mn

The operating expenses, predominantly comprised of selling and administrative costs, demonstrated a year-on-year decrease of 14%, declining from Rs. 4,941 million in 2022 to Rs. 4,255 million in 2023. This reduction is attributable to the implementation of a more streamlined and cost-effective approach to sales activities, coupled with enhanced administrative effectiveness achieved through meticulous overhead cost management. Such endeavors reflect the Company's steadfast commitment to cost control initiatives and operational excellence. Additionally, the diminished marketing activities throughout 2023 signify strategic efforts aimed at refining processes, optimizing resource allocation, and fortifying the Company's financial performance and competitive edge.

Finance Cost

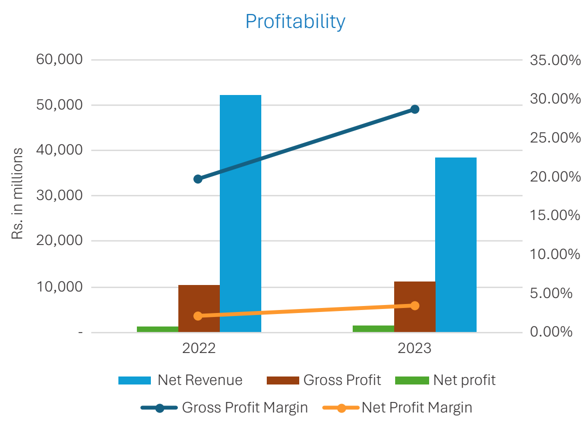
2023: 3,649mn | 2022: 3,090mn

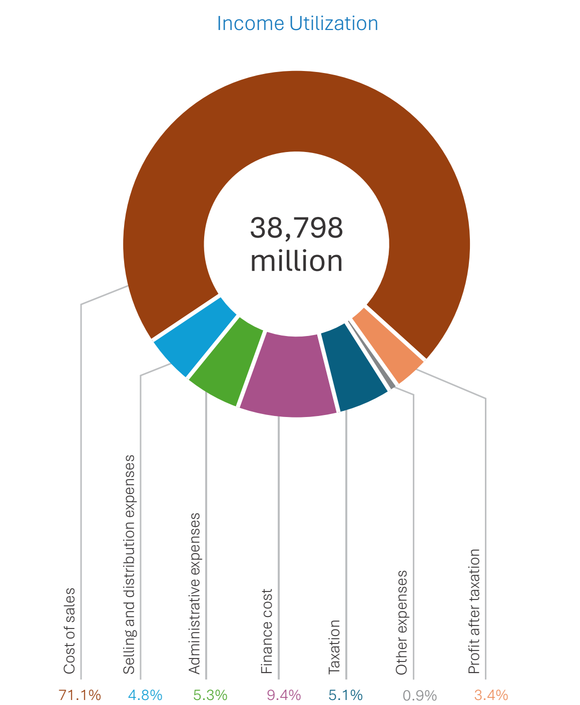
Despite a substantial reduction in borrowings, plummeting from Rs. 22,879 million to Rs. 15,974 million, marking an impressive 30% decline from the previous year, the finance cost surged by 18% to Rs. 3,649 million in 2023, compared to Rs. 3,090 million in the preceding year. This escalation in finance costs can be primarily attributed to the hike in the average cost of debt, driven by the increase in policy rates witnessed throughout the year. Consequently, the benefits accruing from the reduction in borrowings were outweighed by the amplified finance costs incurred during the period.

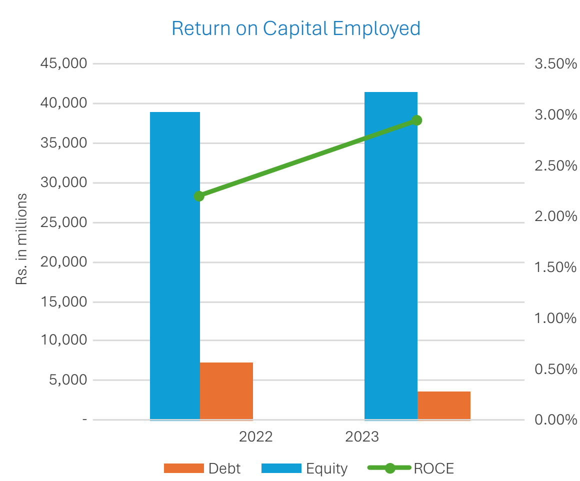
Taxation

2023: 1,979mn | 2022: 1,281mn

The provision for taxation in 2023 amounted to Rs. 1,979 million, reflecting a notable increase of 55% compared to the previous year's provision of Rs. 1,281 million. This increase is predominantly attributable to the elevation in the provision for current taxation, stemming from the surge in taxable profits. Moreover, the increase in deferred tax liability is attributed to accelerated tax depreciation on capital expenditures incurred during the year, coupled with the utilization of tax credits brought forward from previous fiscal periods.







CASH FLOW ANALYSIS

Cash Flows from Operating Activities

2023: 8,987mn | 2022: (2,809mn)

In 2023, the Company exhibited robust cashflows from operating activities, primarily stemming from its pre-tax profits amounting to Rs. 3,304 million. This figure was adjusted for non-cash expenses and other items totaling Rs. 4,974 million, alongside positive working capital changes amounting to Rs. 5,130 million. These changes were primarily driven by a decrease in inventories and trade debts, coupled with an increase in trade and other payables. Consequently, the Company generated a substantial cash flow from operations, totaling Rs. 13,408 million. However, this was partially offset by payments made for income tax and interest/markup/profit, aggregating to Rs. 4,421 million, resulting in a net cash generated from operating activities amounting to Rs. 8,987 million. This robust performance underscores the Company's enhanced operational efficiency, effective cost management, and improved profitability, all contributing to a healthier cash flow position and instilling confidence among stakeholders.

Cash Flows from Investing Activities

2023: (2,049mn) | 2022: (2,788mn)

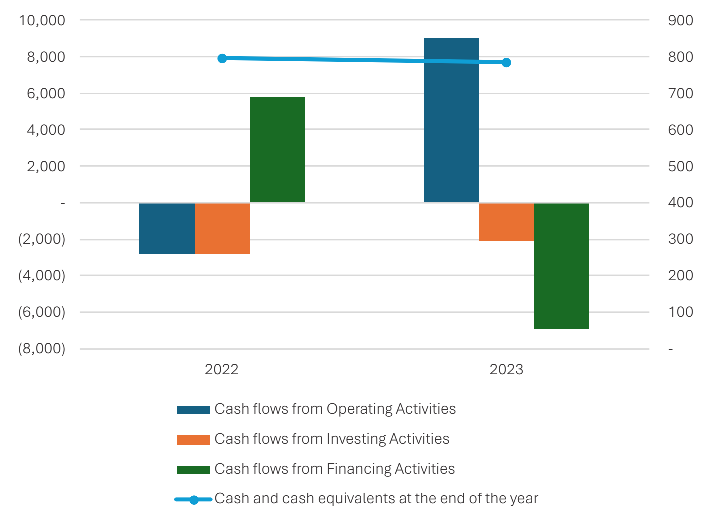
During the fiscal year 2023, the Company incurred expenditures totaling Rs. 2,065 million and Rs. 1.3 million on the acquisition of property, plant, and equipment, and intangible assets, respectively. Additionally, advances to suppliers of property, plant, and equipment amounted to Rs. 31 million. These outflows culminated in a total outflow of Rs. 2,098 million attributed to investing activities. However, this was partially mitigated by proceeds from the disposal of property, plant, and equipment amounting to Rs. 49.1 million, resulting in a net cash used in investing activities of Rs. 2,049 million for the year 2023.

Cash Flows from Financing Activities

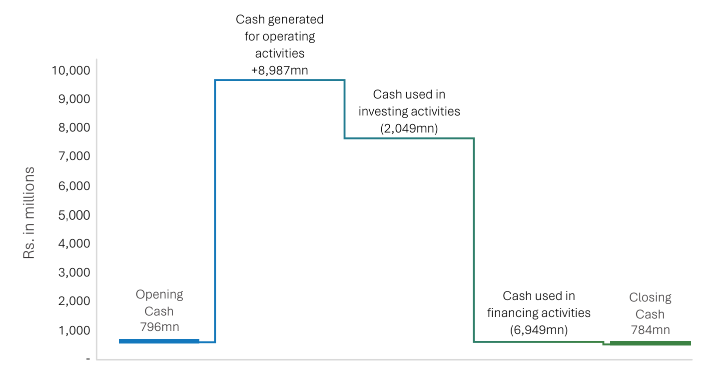
2023: (6,949mn) | 2022: 5,814mn

In terms of financing activities, the Company allocated Rs. 1,500 million towards the redemption of Sukuks and Rs. 2,121 million for the repayment of long-term finances, while lease liabilities were settled with a payment of Rs. 95 million. Additionally, short-term borrowings were reduced by Rs. 3,234 million. Collectively, these activities resulted in a total outflow of Rs. 6,949 million in financing activities.

Cashflows Analysis



Cash Movement



Cash and Cash Equivalents

2023: 784mn | 2022: 796mn

At the outset of the financial year, the Company commenced with cash reserves amounting to Rs. 796 million. Through efficient operational management, cash generated from operations amounted to a substantial Rs. 8,987 million. However, these funds were subsequently utilized in investing and financing activities, totaling Rs. 2,049 million and Rs. 6,949 million, respectively. As a result, the Company concluded the fiscal year 2023 with a cash balance of Rs. 784 million. This positive change in cash flows from operating activities underscores the Company's ability to generate cash from operations to finance capital investments and meet financial obligations with operating cash flows, thereby reinforcing stakeholder confidence in its financial stability and operational prowess.

FINANCIAL PERFORMANCE

SUMMARY OF FINANCIAL STATEMENTS

Rs in millions	2023	2022	2021	2020	2019	2018
Statement of Financial Position						
Equity and Liabilities						
Issued share capital	9,010	9,010	5,426	5,426	5,426	5,426
Reserves	32,416	29,948	29,600	26,288	25,262	24,410
Shareholders' equity	41,425	38,958	35,027	31,715	30,688	29,836
Long term debt	3,648	7,320	9,593	7,960	4,648	4,520
Total capital employed	45,073	46,278	44,620	39,675	35,337	34,356
Deferred liabilities	5,078	3,484	2,819	2,531	3,311	3,568
Short term borrowings	12,326	15,560	10,499	10,606	10,955	12,844
Accrued interest/markup/profit	640	631	348	372	489	390
Other current liabilities	3,241	1,463	1,527	1,609	1,219	942
Total Equity and Liabilities	66,358	67,415	59,813	54,793	51,311	52,100
Assets						
Property, plant and equipment	28,164	25,548	23,828	24,119	22,939	21,957
Intangible assets	282	286	291	298	306	313
Other non-current assets	1,301	1,539	1,507	1,090	1,597	1,482
Inventories	12,573	14,683	11,335	10,361	8,642	11,645
Trade receivables	14,313	15,681	13,966	10,436	9,318	10,182
Construction work in progress	615	788	798	1,067	1,698	1,536
Cash and bank balances	784	796	579	552	514	471
Other current assets	8,325	8,094	7,509	6,870	6,298	4,514
Total Assets	66,358	67,415	59,813	54,793	51,311	52,100
Statement of Profit or loss						
Gross revenue	48,324	66,028	55,367	37,988	37,621	38,990
Sales tax , excise duty and discounts	(9,639)	(13,642)	(12,480)	(9,189)	(9,721)	(10,545)
Net revenue	38,685	52,386	42,887	28,799	27,900	28,445
Cost of sales	(27,581)	(42,085)	(33,820)	(22,398)	(21,327)	(21,448)
Gross Profit	11,104	10,301	9,068	6,402	6,573	6,997
Other income	104	78	39	36	34	18
Operating expenses	(4,255)	(4,941)	(4,725)	(3,881)	(3,243)	(3,352)
Operating profit	6,952	5,439	4,381	2,557	3,364	3,663
Finance cost	(3,649)	(3,090)	(2,174)	(2,198)	(2,480)	(2,103)
Share of profit/(loss) of associate	-	-	(1)	(2)	(3)	(2)
Profit before taxation	3,304	2,348	2,206	356	881	1,557
Taxation	(1,979)	(1,281)	(615)	(132)	(2)	(186)
Profit after taxation	1,325	1,067	1,591	224	879	1,371
Earnings per share (Rs.)	1.50	1.33	2.89	0.36	1.68	2.67

FINANCIAL PERFORMANCE

KEY FINANCIAL RATIOS

		2023	2022	2021	2020	2019	2018
Profitability Ratios							
Gross Profit ratio	%	28.70	19.66	21.14	22.23	23.56	24.60
Net Profit to Sales	%	3.43	2.04	3.71	0.78	3.15	4.82
EBITDA Margin to Sales	%	21.27	13.25	12.20	12.63	14.89	14.59
Operating Leverage	Times	(0.87)	2.10	1.37	(22.30)	1.12	3.81
Return on Equity							
- without revaluation resevres	%	3.71	3.12	5.36	0.86	3.56	5.90
- with revaluation resevres	%	3.20	2.74	4.54	0.71	2.86	4.60
Return on Capital Employed	%	2.94	2.31	3.57	0.56	2.49	3.99
Shareholders' Funds	Rs. in millions	41,425	38,958	35,027	31,715	30,688	29,836
Return on Shareholders' Funds	%	3.20	2.74	4.54	0.71	2.86	4.60
Total Shareholders' Return	%	74.36	(42.50)	(43.88)	48.25	8.71	(47.57)
Liquidity Ratios							
Current ratio	Times	2.02	1.87	2.27	1.98	1.76	1.77
Quick / Acid Test ratio	Times	1.32	1.18	1.52	1.28	1.19	1.04
Cash to Current Liabilities	Times	0.04	0.04	0.04	0.04	0.03	0.03
Cash Flow from Operations to Sales	Times	0.23	(0.05)	(0.06)	(0.03)	0.13	(0.04)
Cashflow to CAPEX	Times	4.35	(0.93)	(2.17)	(0.35)	1.81	(0.47)
Cash Flow Coverage	Times	2.46	(0.38)	(0.25)	(0.09)	0.81	(0.25)
Activity/Turnover Ratios							
Inventory turnover ratio	Times	2.16	3.47	3.39	2.59	2.30	2.27
No. of Days in Inventory	Days	169	105	108	141	159	161
Debtor turnover ratio	Times	3.22	4.45	4.54	3.85	3.86	3.73
No. of Days in Receivables	Days	113	82	80	95	95	98
Creditor turnover ratio	Times	13.56	32.02	25.32	19.11	23.08	26.07
No. of Days in Payables	Days	27	11	14	19	16	14
Total Assets turnover ratio	Times	0.58	0.78	0.72	0.53	0.54	0.55
Fixed Assets turnover ratio	Times	1.36	2.03	1.78	1.18	1.20	1.28
Operating Cycle	Days	255	176	174	217	238	245
Investment/Market Ratios							
Earning per Share - *Basic*	Rupees	1.50	1.33	2.89	0.34	1.56	2.48
Earning per Share - *Diluted*	Rupees	1.50	1.33	2.89	0.34	1.56	2.48
Price Earnings ratio	Times	15.07	9.73	7.79	118.71	17.35	10.04
Price to Book ratio	Times	0.49	0.30	0.35	0.69	0.48	0.45
Dividend Yield ratio	%	-	-	-	-	-	-
Dividend Payout ratio	%	-	-	-	-	-	-
Dividend Cover ratio	Times	-	-	-	-	-	-
Cash Dividend per Share	Rupees	-	-	-	-	-	-
Stock Dividend per Share	%	-	-	-	-	-	-
Market Value per Share							
- year end	Rupees	22.58	12.95	22.52	40.13	27.07	24.90
- high during the year	Rupees	26.60	24.06	42.38	40.37	28.74	61.85
- low during the year	Rupees	8.75	11.90	19.29	16.62	14.32	21.96
Break-up Value per Share							
- without revaluation resevres	Rupees	39.61	37.93	54.68	47.90	45.45	42.86
- with revaluation resevres	Rupees	45.98	43.24	64.55	58.45	56.55	54.98
Market capitalization	Rs. in millions	19,329	11,085	11,208	19,972	13,472	12,392
Capital Structure Ratios							
Financial Leverage ratio	Times	0.39	0.59	0.57	0.59	0.51	0.58
Weighted Average Cost of Debt	%	18.06	13.71	9.40	11.75	13.50	10.69
Debt Equity ratio	%	08:92	16:84	21:79	20:80	13:87	13:87
Interest Cover ratio	Times	1.99	1.92	2.22	1.24	1.42	2.01
Net assets per share	Rupees	45.98	43.24	64.55	58.45	56.55	54.98

FINANCIAL PERFORMANCE

KEY FINANCIAL RATIOS

Analysis of Key Financial Ratios

Profitability Ratios

In 2023, the Company showcased a remarkable enhancement in its financial performance, evident in the surge of both gross and net profit margins to 28.70% and 3.43%, respectively, compared to the prior year's margins of 19.66% and 2.04%. This substantial growth directly translated into an amplified return on equity, ascending from 2.74% to 3.20%. Concurrently, the return on capital employed experienced a commendable surge from 2.31% to 2.94%, underscoring the Company's bolstered financial health. Such strides were not merely fortuitous but rather the outcome of concerted efforts towards bolstering profitability and attaining a more balanced capital structure. Consequently, the total shareholders' return surged to an impressive 74.36%, reflecting heightened investor confidence and satisfaction.

This impressive financial upswing was orchestrated by a meticulous focus on cost efficiencies in revenue generation. The reduction in selling expenses, facilitated by a streamlined and cost-effective sales approach, coupled with enhanced administrative effectiveness through prudent overhead cost management, collectively contributed to the robust financial performance. These improvements underscore the Company's adeptness at navigating challenges within the economic landscape, showcasing resilience and operational prowess.

Liquidity Ratios

The liquidity ratios for the period demonstrated a fortified financial position, as evidenced by the surge in the current ratio from 1.87 times to 2.02 times and the quick ratio from 1.18 times to 1.32 times. These improvements underscore the Company's enhanced capacity to meet short-term obligations efficiently. Moreover, the stability in the cash to current liabilities ratio signifies the Company's adept management of cash reserves relative to its short-term liabilities. The positive change in cash flows from operations to sales, reaching 0.23 times, is a testament to improved operational efficiency, effective cost management and enhanced profitability, all contributing to a healthier cash flow position relative to sales. Additionally, the increase in cash flow to CAPEX, now standing at 4.35 times, reflects the Company's ability to generate cash from operations to finance capital investments. Such improvements highlight not only better financial health but also efficient resource utilization and reduced reliance on external financing for investment activities. Furthermore, the cash flow coverage ratio of 2.46 times underscores the enhanced capacity of the Company to meet financial obligations with operating cash flows, instilling confidence among stakeholders.

Activity/Turnover Ratios

While the Company exhibited impressive strides in various aspects, the inventory turnover witnessed a decline to 2.16 times in 2023, primarily attributable to lower sales volume, inventory management practices, and prevailing market conditions impacting product demand. Additionally, increased lead times due to import restrictions further exacerbated the decline in inventory turnover. Similarly, the debtors turnover ratio reduced to 3.22 times, predominantly due to economic slowdown and reduced ordering from dealers. In an attempt to stimulate sales volume, the Company extended credit periods, further impacting the debtors turnover. Moreover, the decrease in creditors turnover to 13.56 times extended the operating cycle to 255 days, primarily due to payments to foreign suppliers being made through Usance LC, availing longer credit periods amidst import restrictions. Both total assets turnover and fixed assets turnover witnessed a decline, directly influenced by the decrease in sales.

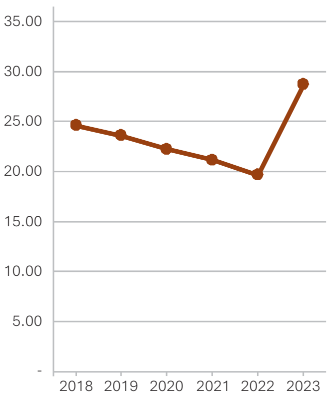
Investment/Market Ratios

The investment/market ratios displayed a positive trajectory, with the price-to-book ratio surging from 0.30 times to 0.49 times and the break-up value per share escalating from Rs. 43.24 to Rs. 45.98, indicative of heightened investor confidence and an augmented net assets value. The Company achieved a higher earnings per share of Rs. 1.50, attributed to the increase in net profits resulting from efficient cost management and operational efficiencies. Such enhanced financial health translated into an improved market perception of the Company's shares, propelling the market value per share from Rs. 12.95 at the close of 2022 to Rs. 22.58 by 31 December 2023, consequently leading to a higher market capitalization of Rs. 19,329 million compared to Rs. 11,085 million at the close of 2022. These figures collectively underscore the bolstered investor confidence and improved market sentiment.

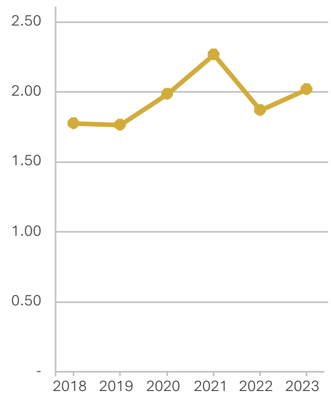
Capital Structure Ratios

The Company exhibited a notable reduction in financial leverage, plummeting from 0.59 times to 0.39 times, accompanied by an improvement in the debt-equity ratio, signaling diminished debt risk and fostering a balanced financial profile. Despite the weighted average cost of debt escalating from 13.71% to 18.06% due to increased policy rates, the interest cover ratio improved from 1.92 times to 1.99 times in 2023. This improvement indicates that the increase in operating income surpassed the rise in financial costs, reflecting a healthier financial position. Additionally, the net assets per share surged from Rs. 43.24 to Rs. 45.98, emblematic of an augmented net assets base and an overall enhancement in the financial position of the Company.

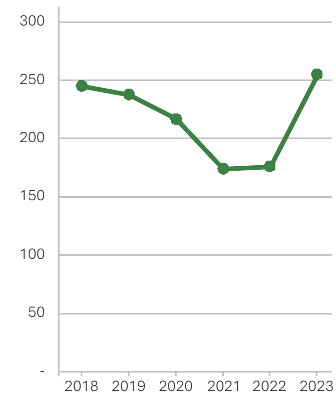
Gross Profit Ratio (%)



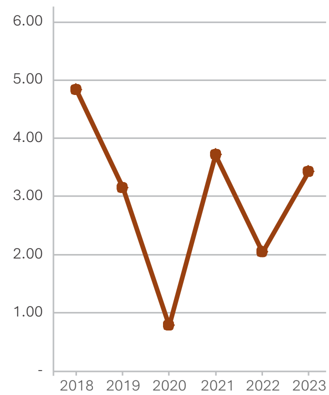
Current Ratio (Times)



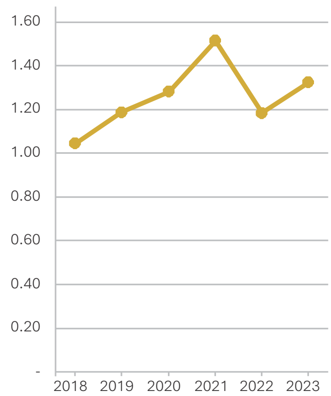
Operating Cycle (Days)



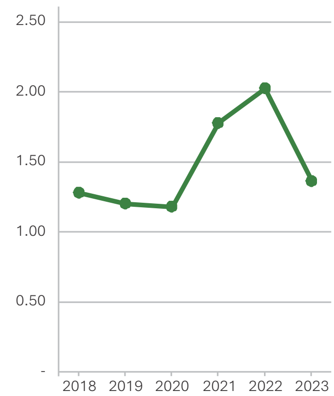
Net Profit to Sales (%)



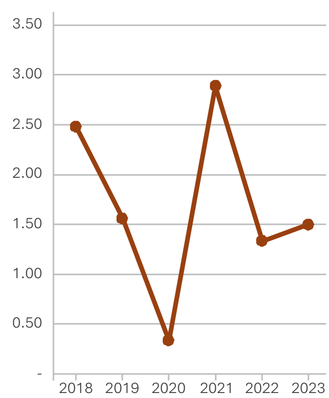
Quick / Acid Test Ratio (Times)



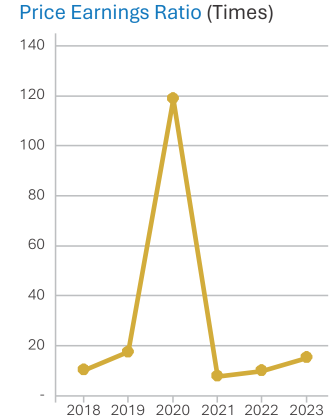
Fixed Assets Turnover Ratio (Times)



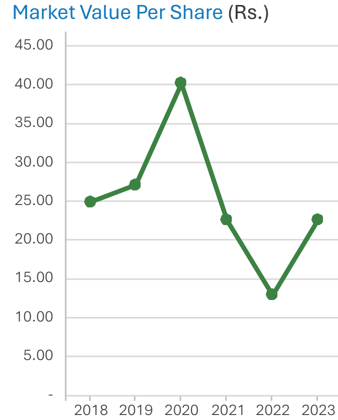
Earning per Share (Rs.)



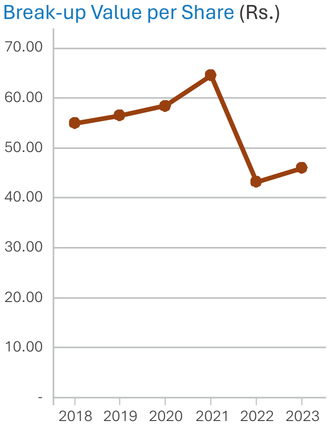
Price Earnings Ratio (Times)



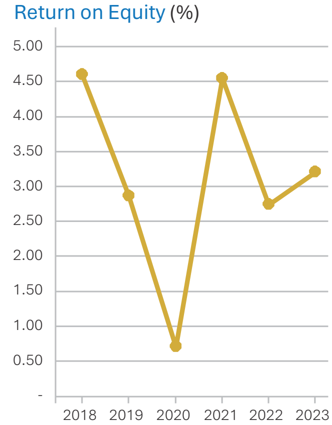
Market Value Per Share (Rs.)



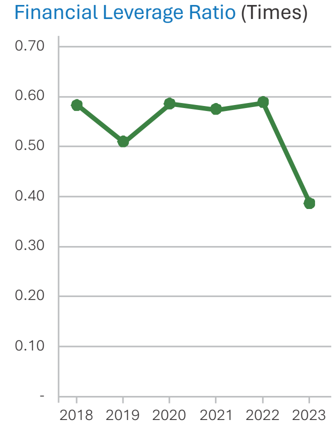
Break-up Value per Share (Rs.)



Return on Equity (%)



Financial Leverage Ratio (Times)



FINANCIAL PERFORMANCE

HORIZONTAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Share Capital and Reserves

The movement in share capital and reserves from 2018 to 2023 reflects a substantial shift, rising notably from Rs. 29.83 billion to Rs. 41.42 billion. This increase was primarily driven by the issuance of right shares at a premium in 2022. Additionally, retained earnings saw an increase from Rs. 19 billion to Rs. 21 billion during this period, indicative of the profits earned and retained by the Company.

Non-current Liabilities

Although there was a slight increase in non-current liabilities compared to 2018, there was a significant upward trend until the end of 2019, reaching Rs. 9.7 billion. This rise was attributable to obtaining long-term debt to finance the large CAPEX required for production expansion from Unit 1 to Unit 2. However, from 2019 to the close of 2023, non-current liabilities decreased to Rs. 6.7 billion due to repayments of long-term debt.

Current Liabilities

The progression of current liabilities was notable, steadily increasing from Rs. 15.99 billion in 2018 to Rs. 21.42 billion in 2022, before experiencing a downturn to Rs. 18.16 billion in 2023. The increase in 2023 was mainly attributed to markup on loans payable due to increased policy rates and extended payment cycles for payments to foreign suppliers on imports. Short-term borrowings peaked at Rs. 15 billion in 2022 due to increased working capital requirements, but subsequently reduced due to reliance on cash generated from operations.

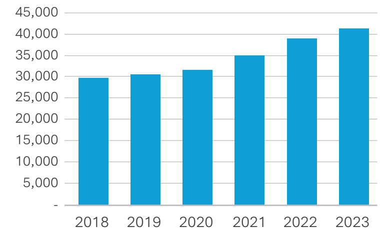
Non-current Assets

Significant investments were made in plant capacity enhancement, product innovation, product diversification, and adoption of new technology. Non-current assets saw a consistent growth trajectory, rising from Rs. 23.75 billion in 2018 to Rs. 29.74 billion in 2023, reaching its peak in the same year. This sustained upward trend signifies a significant increase in non-current assets throughout the period under review, including revaluation adjustments made in 2018 and 2023.

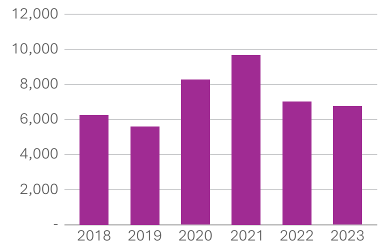
Current Assets

The value of stores and spare parts remained relatively consistent, while stock-in-trade increased from Rs. 10.78 billion in 2018 to Rs. 11.68 billion in 2023. Trade debts fluctuated, notably increasing in 2021 to Rs. 13.96 billion. CWIP showed a decreasing trend compared to 2018, indicating timely completion of ongoing projects. Advances, deposits, prepayments, and other receivables showed steady growth, reaching Rs. 5.06 billion in 2023. Tax refunds due from the government increased to Rs. 3.22 billion in 2023. Short-term investments reached Rs. 0.032 billion, reflecting strategic investment decisions. Cash and bank balances increased, reaching Rs. 0.784 billion in 2023, indicating improved cash flow and liquidity management.

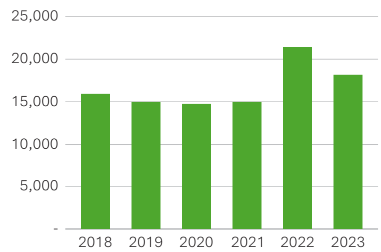
Share Capital and Reserves
[Rs. in millions]



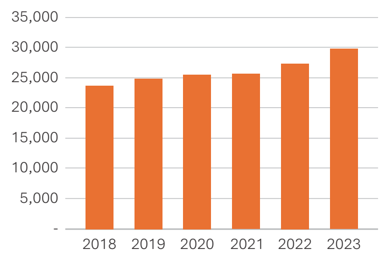
Non-current Liabilities
[Rs. in millions]



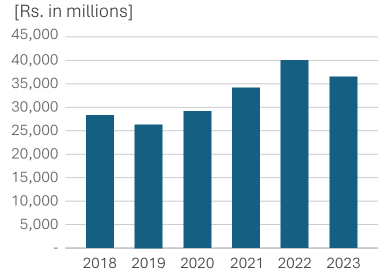
Current Liabilities
[Rs. in millions]



Non-current Assets
[Rs. in millions]



Current Assets
[Rs. in millions]



	2023 Rs. [M]	V 22 %	2022 Rs. [M]	V 21 %	2021 Rs. [M]	V 20 %	2020 Rs. [M]	V 19 %	2019 Rs. [M]	V 18 %	2018 Rs. [M]	V 17 %
Equity and Liabilities												
Share Capital and Reserves												
Issued share capital	9,010	-	9,010	66	5,426	-	5,426	-	5,426	-	5,426	-
Share deposit money	-	-	-	(100)	1,790	100	-	-	-	-	-	-
Share premium	5,611	-	5,611	31	4,280	-	4,280	-	4,280	-	4,280	-
Revaluation reserve	5,737	20	4,785	(11)	5,354	(6)	5,723	(5)	6,024	(8)	6,579	54
Retained earnings	21,067	8	19,552	8	18,177	12	16,285	9	14,958	10	13,551	8
TOTAL EQUITY	41,425	6	38,958	11	35,027	10	31,715	3	30,688	3	29,836	12
Non-current Liabilities												
Redeemable capital	-	-	-	(100)	1,500	100	-	-	-	-	-	(100)
Long term finances	1,660	(52)	3,481	(34)	5,306	(6)	5,627	160	2,162	(18)	2,646	(33)
Lease liabilities	34	(52)	72	(24)	95	(39)	155	13	137	130	60	167
Warranty obligations	149	(22)	191	(29)	270	90	142	(11)	160	(64)	443	-
Deferred taxation	4,901	50	3,262	30	2,517	8	2,339	(25)	3,117	1	3,088	28
Deferred income	28	(5)	30	(5)	32	(37)	50	43	35	(5)	37	(5)
	6,773	(4)	7,036	(28)	9,719	17	8,314	48	5,611	(11)	6,274	(10)
Current Liabilities												
Trade and other payables	3,230	122	1,452	(3)	1,500	(3)	1,544	28	1,204	30	923	(6)
Unclaimed dividend	11	(0)	11	(1)	11	(25)	14	(4)	15	(19)	19	46
Accrued interest/markup/profit	640	1	631	81	348	(7)	372	(24)	489	25	390	136
Short term borrowings	12,326	(21)	15,560	48	10,499	(1)	10,606	(3)	10,955	(15)	12,844	78
Current maturity of non-current liabilities	1,953	(48)	3,767	39	2,709	22	2,229	(5)	2,349	29	1,814	(11)
	18,160	(15)	21,420	42	15,067	2	14,765	(2)	15,012	(6)	15,990	54
Total Equity and Liabilities	66,358	(2)	67,415	13	59,813	9	54,793	7	51,311	(2)	52,100	19
Assets												
Non-current Assets												
Property, plant and equipment	28,164	10	25,548	7	23,828	(1)	24,119	5	22,939	4	21,957	26
Intangible assets	282	(1)	286	(2)	291	(2)	298	(3)	306	(2)	313	(1)
Advances for capital expenditure	64	93	33	90	18	100	-	-	-	-	-	-
Long term investments	19	76	11	(19)	14	27	11	85	6	(17)	7	(21)
Long term deposits	615	21	508	4	488	5	464	29	360	(2)	366	(2)
Long term advances	603	(39)	986	(0)	988	60	616	(50)	1,231	11	1,109	39
	29,748	9	27,373	7	25,626	0	25,507	3	24,842	5	23,752	26
Current Assets												
Stores, spares and loose tools	885	3	857	(2)	870	1	862	2	848	(1)	859	15
Stock in trade	11,687	(15)	13,825	32	10,465	10	9,499	22	7,794	(28)	10,786	32
Trade receivables	14,313	(9)	15,681	12	13,966	34	10,436	12	9,318	(8)	10,182	(5)
Construction work in progress	615	(22)	788	(1)	798	(25)	1,067	(37)	1,698	11	1,536	10
Short term advances	3,395	10	3,087	11	2,778	5	2,638	57	1,684	62	1,040	23
Short term deposits and prepayments	1,452	3	1,408	6	1,324	19	1,114	(41)	1,892	71	1,105	(0)
Other receivables	220	(25)	294	(1)	296	(19)	367	(9)	402	11	361	16
Short term investments	32	79	18	(46)	33	5	32	48	22	(2)	22	1
Advance income tax/Income tax refundable	3,226	(2)	3,287	7	3,077	13	2,719	18	2,299	16	1,986	62
Cash and bank balances	784	(2)	796	37	579	5	552	7	514	9	471	(3)
	36,610	(9)	40,042	17	34,187	17	29,286	11	26,469	(7)	28,348	13
Total Assets	66,358	(2)	67,415	13	59,813	9	54,793	7	51,311	(2)	52,100	19

FINANCIAL PERFORMANCE

VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION

	2023		2022		2021		2020		2019		2018	
	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%
Equity and Liabilities												
Share Capital and Reserves												
Issued share capital	9,010	13.6	9,010	13.4	5,426	9.1	5,426	9.9	5,426	10.6	5,426	10.4
Share deposit money	-	-	-	-	1,790	3.0	-	-	-	-	-	-
Share premium	5,611	8.5	5,611	8.3	4,280	7.2	4,280	7.8	4,280	8.3	4,280	8.2
Revaluation reserve	5,737	8.6	4,785	7.1	5,354	9.0	5,723	10.4	6,024	11.7	6,579	12.6
Retained earnings	21,067	31.7	19,552	29.0	18,177	30.4	16,285	29.7	14,958	29.2	13,551	26.0
TOTAL EQUITY	41,425	62.4	38,958	57.8	35,027	58.6	31,715	57.9	30,688	59.8	29,836	57.3
Non-current Liabilities												
Redeemable capital	-	-	-	-	1,500	2.5	-	-	-	-	-	-
Long term finances	1,660	2.5	3,481	5.2	5,306	8.9	5,627	10.3	2,162	4.2	2,646	5.1
Lease liabilities	34	0.1	72	0.1	95	0.2	155	0.3	137	0.3	60	0.1
Warranty obligations	149	0.2	191	0.3	270	0.5	142	0.3	160	0.3	443	0.9
Deferred taxation	4,901	7.4	3,262	4.8	2,517	4.2	2,339	4.3	3,117	6.1	3,088	5.9
Deferred income	28	0.0	30	0.0	32	0.1	50	0.1	35	0.1	37	0.1
	6,773	10.2	7,036	10.4	9,719	16.2	8,314	15.2	5,611	10.9	6,274	12.0
Current Liabilities												
Trade and other payables	3,230	4.9	1,452	2.2	1,500	2.5	1,544	2.8	1,204	2.3	923	1.8
Unclaimed dividend	11	0.0	11	0.0	11	0.0	14	0.0	15	0.0	19	0.0
Accrued interest/markup/profit	640	1.0	631	0.9	348	0.6	372	0.7	489	1.0	390	0.7
Short term borrowings	12,326	18.6	15,560	23.1	10,499	17.6	10,606	19.4	10,955	21.4	12,844	24.7
Current maturity of non-current liabilities	1,953	2.9	3,767	5.6	2,709	4.5	2,229	4.1	2,349	4.6	1,814	3.5
	18,160	27.4	21,420	31.8	15,067	25.2	14,765	26.9	15,012	29.3	15,990	30.7
Total Equity and Liabilities	66,358	100.0	67,415	100.0	59,813	100.0	54,793	100.0	51,311	100.0	52,100	100.0
Assets												
Non-current Assets												
Property, plant and equipment	28,164	42.4	25,548	37.9	23,828	39.8	24,119	44.0	22,939	44.7	21,957	42.1
Intangible assets	282	0.4	286	0.4	291	0.5	298	0.5	306	0.6	313	0.6
Advances for capital expenditure	64	0.1	33	0.0	18	0.0	-	-	-	-	-	-
Long term investments	19	0.0	11	0.0	14	0.0	11	0.0	6	0.0	7	0.0
Long term deposits	615	0.9	508	0.8	488	0.8	464	0.8	360	0.7	366	0.7
Long term advances	603	0.9	986	1.5	988	1.7	616	1.1	1,231	2.4	1,109	2.1
	29,748	44.8	27,373	40.6	25,626	42.8	25,507	46.6	24,842	48.4	23,752	45.6
Current Assets												
Stores, spares and loose tools	885	1.3	857	1.3	870	1.5	862	1.6	848	1.7	859	1.6
Stock in trade	11,687	17.6	13,825	20.5	10,465	17.5	9,499	17.3	7,794	15.2	10,786	20.7
Trade receivables	14,313	21.6	15,681	23.3	13,966	23.3	10,436	19.0	9,318	18.2	10,182	19.5
Construction work in progress	615	0.9	788	1.2	798	1.3	1,067	1.9	1,698	3.3	1,536	2.9
Short term advances	3,395	5.1	3,087	4.6	2,778	4.6	2,638	4.8	1,684	3.3	1,040	2.0
Short term deposits and prepayments	1,452	2.2	1,408	2.1	1,324	2.2	1,114	2.0	1,892	3.7	1,105	2.1
Other receivables	220	0.3	294	0.4	296	0.5	367	0.7	402	0.8	361	0.7
Short term investments	32	0.0	18	0.0	33	0.1	32	0.1	22	0.0	22	0.0
Advance income tax/Income tax refundable	3,226	4.9	3,287	4.9	3,077	5.1	2,719	5.0	2,299	4.5	1,986	3.8
Cash and bank balances	784	1.2	796	1.2	579	1.0	552	1.0	514	1.0	471	0.9
	36,610	55.2	40,042	59.4	34,187	57.2	29,286	53.4	26,469	51.6	28,348	54.4
Total Assets	66,358	100.0	67,415	100.0	59,813	100.0	54,793	100.0	51,311	100.0	52,100	100.0

Share Capital and Reserves

Share capital as a percentage of equity has increased to 22% in 2023 as compared to 2018,18%. In year 2022, Company issued right share at premium which is the main reason of change from year 2018 to 2023. Lowest percentage of retained earning was recorded in 2018 peaking in year 2023, 31.7 %, that reflects the sustained growth and profits retained.

Non-current Liabilities

Non-current Liabilities as a percentage of total equity and liabilities decreased to 10% as compared to 2018, 12%. This shows the Company is repaying its long term debts. Long term debts including lease liabilities were 8.68% in the year 2018 move to highest value of 16.07% in 2021 and shown downward movement in 2023.This is mainly due to loans taken for transfer, upgradation and BMR activities recently paid. Warranty Obligation is reflective of change in gross sale, fluctuation and provision recorded in actual warranty cost, in this time frame. Highest value of the deferred tax as the percentage of total equity and liabilities is 7.39% in the year 2023 and 4.21% in the year 2021.58.7% increase in the deferred tax from year 2018 to 2023 in due to change in the carry forward of tax losses and relevant tax laws used to calculate the deferred tax on assets and liabilities.

Current Liabilities

Current Liabilities has shown upward trend as compared to 2018. Major increase is seen in trade payables due to the longer payable cycle for the payments to be made on account of imports. Accrued markup moved with the movement in the borrowing levels of the company and the markup rates. Short term borrowings as a percentage of total equity and liabilities were 17.55% (lowest) and 24.65% (highest) in the year 2021 and 2018 respectively, this fluctuation is due to the change in the working capital requirements of the Company.

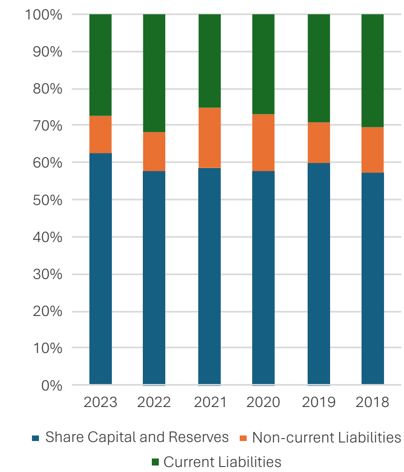
Non-current Assets

The percentage of non-current assets relative to total assets witnessed a slight decline of 0.8%, dropping from 45.6% in 2018 to 44.8% in 2023. This decrease can be alternately attributed to rise in total current assets of the Company. While as a result of more investing activities and adoption of technologies, in these six years the amount of the property, plant and equipment increased from 21.9 billion, (2018) to 28.1 billion, (2023).

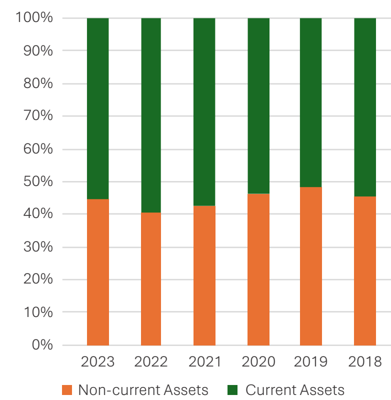
Current Assets

Current assets comprises of 55% of total assets in the year 2023. Which is majorly due to the decline in the stocks which are 17% of current assets. Whereas trade debts in year 2023 represents 39% and 21% of current and total assets respectively. In these six years minimum level of debtors is 18.6%, (2019) highest level 23.6% (2021), which is reflective of sales recorded and collections made.

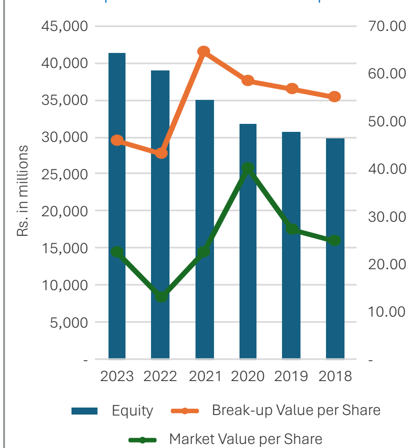
Equity and Liabilities (%)



Assets (%)



Break-up Value vs Market Value per Share



FINANCIAL PERFORMANCE

HORIZONTAL ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2023 Rs. [M]	V 22 %	2022 Rs. [M]	V 21 %	2021 Rs. [M]	V 20 %	2020 Rs. [M]	V 19 %	2019 Rs. [M]	V 18 %	2018 Rs. [M]	V 17 %
Revenue from contracts with customers	48,324	(27)	66,028	19	55,367	46	37,988	1	37,621	(4)	38,990	(8)
Sales tax, excise duty and discounts	(9,639)	(29)	(13,642)	9	(12,480)	36	(9,189)	(5)	(9,721)	(8)	(10,545)	(7)
Net revenue	38,685	(26)	52,386	22	42,887	49	28,799	3	27,900	(2)	28,445	(8)
Cost of sales	(27,581)	(34)	(42,085)	24	(33,820)	51	(22,398)	5	(21,327)	(1)	(21,448)	(2)
Gross profit	11,104	8	10,301	14	9,068	42	6,402	(3)	6,573	(6)	6,997	(23)
Other income	104	33	78	103	39	7	36	7	34	89	18	1
Selling and distribution expenses	(1,843)	(38)	(2,982)	7	(2,780)	18	(2,346)	22	(1,931)	(13)	(2,207)	(18)
Administrative expenses	(2,075)	4	(1,991)	15	(1,725)	18	(1,457)	18	(1,234)	14	(1,081)	(3)
Other expenses	(253)	20	(210)	2	(206)	302	(51)	(2)	(52)	(18)	(63)	(64)
	(4,170)	(20)	(5,183)	10	(4,711)	22	(3,855)	20	(3,218)	(4)	(3,352)	(16)
Impairment (allowance)/reversal for expected credit losses	(85)	(135)	242	(1,785)	(14)	(45)	(26)	4	(25)	100	-	-
Operating profit	6,952	28	5,439	24	4,381	71	2,557	(24)	3,364	(8)	3,663	(29)
Finance cost	(3,649)	18	(3,090)	42	(2,174)	(1)	(2,198)	(11)	(2,480)	18	(2,103)	36
	3,304	41	2,349	6	2,207	516	358	(59)	884	(43)	1,560	(57)
Share of profit/(loss) of associate	-	(147)	(0)	(58)	(1)	(59)	(2)	(21)	(3)	14	(2)	(54)
Profit before taxation	3,304	41	2,348	6	2,206	520	356	(60)	881	(43)	1,557	(57)
Taxation	(1,979)	55	(1,281)	108	(615)	366	(132)	5,379	(2)	(99)	(186)	(37)
Profit after taxation	1,325	24	1,067	(33)	1,591	611	224	(75)	879	(36)	1,371	(59)

Net Revenue

The Company has posted Rs. 38.68 billion as net revenue in 2023, showing growth of 36% as compared to 2018, while peaking its highest revenue of Rs. 52.38 billion in the year 2022. The decrease in revenue as compared to 2022 is due to Import restrictions, general elections and inflation effecting the buying of home appliances & power products respectively. Whereas, decrease in net revenue in the year 2019 and 2020 was majorly due to COVID-19.

Cost of Sales

Due to decrease in the net revenues, the cost of sales has also decreased by 34% as compared to 2022. Cost of sales amounting to Rs. 42 billion in the year 2022 was recorded as the highest value in this time horizon. Whereas the cost of sales as percentage of net revenue ranged between 71% (2023) and 80% (2022). Further, the Company has implemented cost-saving measures, operational efficiencies and improved factory overheads, which lead to lower production costs.

Gross Profit

The Company has shown a consistent ability to enhance its gross profitability over the past six years, elevating the gross profit from Rs. 6.99 billion in 2018 to Rs. 11.1 billion in 2023. This advancement illustrates an increase of 59% as compared to 2018 due to company's pricing strategy, streamlining of processes, and cost-saving measures implemented throughout the period.

Operating Expenses

Selling and distribution expenses have decreased by 38%,17% when compared with 2022 and 2018 respectively. In the year 2023 marketing activities on Electronic & Digital media were curtailed. Administrative expenses have increased reflecting inflationary impacts in the preceding six years.

Operating Profit

Operating profit of PEL has significantly increased to Rs. 6.9 billion from Rs. 3.6 billion in 2018. Implementing efficient cost management strategies within company, such as reducing overhead expenses, optimizing resource allocation, and negotiating better terms with suppliers, lead to lower operating costs and higher operating profit margins.

Finance Cost

Over the past six years, finance costs have significantly increased from Rs. 2.1 billion in 2018 to Rs. 3.6 billion in 2023 showing an increase of 73%. This is primarily due to the prevailing high interest rate in the country. However, the Company has reduced its debts.

Taxation

The Company has maintained a consistent practice of paying taxes as per the prevailing tax laws in the country in the past six years. Despite this, PEL has increased amount of accumulated deferred tax throughout the period. The taxation was Rs. 186 million in 2018, which increased to Rs. 1.97 billion in 2023.

Net Profit

In the financial year 2023, PEL has achieved a significant milestone by posting a net profit of Rs. 1.32 billion. This achievement is attributed to improvements in operating profit margins, reduced operating expenses and pricing strategy by company. Contrasting this, the company incurred a profit of Rs. 1.37 billion in 2018.

VERTICAL ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2023		2022		2021		2020		2019		2018	
	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%	Rs. [M]	%
Revenue from contracts with customers	48,324	100.0	66,028	100.0	55,367	100.0	37,988	100.0	37,621	100.0	38,990	100.0
Sales tax, excise duty and discounts	(9,639)	(19.9)	(13,642)	(20.7)	(12,480)	(22.5)	(9,189)	(24.2)	(9,721)	(25.8)	(10,545)	(27.0)
Net revenue	38,685	80.1	52,386	79.3	42,887	77.5	28,799	75.8	27,900	74.2	28,445	73.0
Cost of sales	(27,581)	(57.1)	(42,085)	(63.7)	(33,820)	(61.1)	(22,398)	(59.0)	(21,327)	(56.7)	(21,448)	(55.0)
Gross profit	11,104	23.0	10,301	15.6	9,068	16.4	6,402	16.9	6,573	17.5	6,997	17.9
Other income	104	0.2	78	0.1	39	0.1	36	0.1	34	0.1	18	0.0
Selling and distribution expenses	(1,843)	(3.8)	(2,982)	(4.5)	(2,780)	(5.0)	(2,346)	(6.2)	(1,931)	(5.1)	(2,207)	(5.7)
Administrative expenses	(2,075)	(4.3)	(1,991)	(3.0)	(1,725)	(3.1)	(1,457)	(3.8)	(1,234)	(3.3)	(1,081)	(2.8)
Other expenses	(253)	(0.5)	(210)	(0.3)	(206)	(0.4)	(51)	(0.1)	(52)	(0.1)	(63)	(0.2)
	(4,170)	(8.6)	(5,183)	(7.8)	(4,711)	(8.5)	(3,855)	(10.1)	(3,218)	(8.6)	(3,352)	(8.6)
Impairment (allowance)/reversal for expected credit losses	(85)	(0.2)	242	0.4	(14)	(0.0)	(26)	(0.1)	(25)	(0.1)	-	-
Operating profit	6,952	14.4	5,439	8.2	4,381	7.9	2,557	6.7	3,364	8.9	3,663	9.4
Finance cost	(3,649)	(7.6)	(3,090)	(4.7)	(2,174)	(3.9)	(2,198)	(5.8)	(2,480)	(6.6)	(2,103)	(5.4)
	3,304	6.8	2,349	3.6	2,207	4.0	358	0.9	884	2.3	1,560	4.0
Share of profit/(loss) of associate	-	0.0	(0)	(0.0)	(1)	(0.0)	(2)	(0.0)	(3)	(0.0)	(2)	(0.0)
Profit before taxation	3,304	6.8	2,348	3.6	2,206	4.0	356	0.9	881	2.3	1,557	4.0
Taxation	(1,979)	(4.1)	(1,281)	(1.9)	(615)	(1.1)	(132)	(0.3)	(2)	(0.0)	(186)	(0.5)
Profit after taxation	1,325	2.7	1,067	1.6	1,591	2.9	224	0.6	879	2.3	1,371	3.5

Net Revenue

Net revenue has increased in 2023 to Rs. 38.6 billion which is 80% of total revenue as compared to 2018, 28.4 billion, 73% of total revenue. This change is due to change in the gross sales. Net revenue showed an increasing trend after COVID-19.

Cost of Sales

Cost of sales has increased to 57.1% in 2023 as percentage of total revenue, whereas in 2018 it was 55%. This change is majorly due to the inflation and Pak rupee devaluation offset by better operational efficiencies and factory overhead optimizations.

Gross Profit

A significant improvement has been observed in the gross profit margin as a percentage of turnover, reaching 23% in 2023 compared to 17.9% in 2018. This is due to Company's pricing strategy, streamlining of processes, and cost-saving measures implemented throughout the period.

Operating Expenses

Operating Expenses remained at the same level of 8.6% of gross revenue in year 2023 and 2018.Reaching to highest level of 10.1% in the year 2020 due to higher amount spent on selling & marketing activities to boost online sales in COVID-19.

Operating Profit

Operating profit margin has increased as the Company exercised disciplined expense management and cost controlling measures. Operating profit is 14.4%(highest) of gross revenue in year 2023 while it was 9.4% in year 2018.The highest operating profit in six years is majorly due to the lowest amount of marketing activities.

Finance Cost

The finance cost has increased to 7.6% in 2023 as percentage of total revenue, whereas in 2018 it was 5.4%.This increase is largely attributed to high interest rates prevailing in the country. Whereas, lowest amount of finance cost was reported as 3.9% of the revenue in the year 2021, when policy rates were reduced by State Bank of Pakistan.

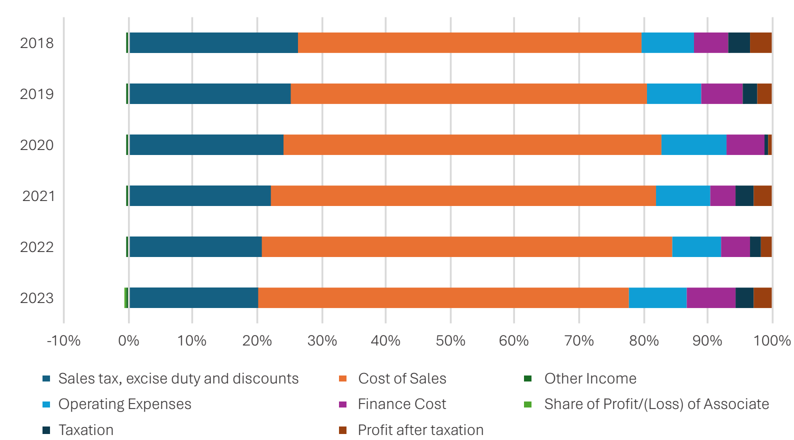
Taxation

The tax charge as a percentage of turnover has increased in 2023 as compared to 2018 due to high revenue booked in the year under review. Lowest amount recorded is in year 2023, 0.3% of total revenue.

Net Profit

In financial year PEL has posted profit of 1.32 billion which is 2.7% of revenue as compared to 1.37 billion, 3.5% in 2018. Highest amount of net profit recorded was Rs. 1.591 billion in the year 2021, while lowest amount recorded was Rs. 0.879 billion in the year 2019.This is mainly due to the lowest amount of gross revenue (Rs. 37.6 billion) booked.

Vertical Analysis of Profit or Loss



FINANCIAL PERFORMANCE

CASH FLOWS

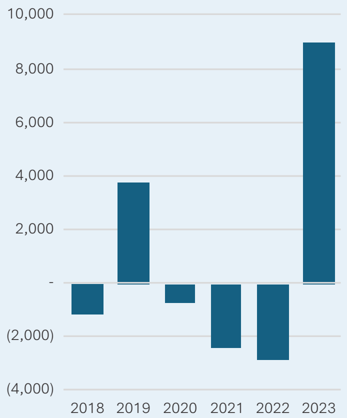
Rs. in millions	2023	2022	2021	2020	2019	2018
Cash flows from Operating Activities						
Profit before taxation	3,304	2,348	2,206	356	881	1,557
Adjustments for non-cash and other items	4,974	4,346	3,031	3,294	3,300	2,609
Changes in working capital	5,130	(5,699)	(4,874)	(1,645)	2,023	(3,066)
Cash generated from operations	13,408	996	363	2,004	6,204	1,100
Payments for interest/markup/profit	(3,592)	(2,799)	(1,865)	(2,152)	(2,131)	(1,414)
Payments for income tax	(829)	(1,007)	(863)	(575)	(314)	(810)
Cash generated from/(used in) operating activities	8,987	(2,809)	(2,365)	(723)	3,760	(1,123)
Cash flows from Investing Activities						
Purchase of property, plant and equipment	(2,066)	(3,009)	(1,088)	(2,089)	(2,069)	(2,369)
Purchase of intangible assets	(1)	(2)	-	-	(4)	(8)
Proceeds from disposal of property, plant and equipment	49	238	308	33	168	36
Advances for capital expenditure	(31)	(16)	-	-	-	-
Cash used in investing activities	(2,049)	(2,788)	(779)	(2,056)	(1,905)	(2,341)
Cash flows from Financing Activities						
Long term debt	(3,716)	(2,371)	1,492	3,146	80	(1,574)
Short term borrowings	(3,234)	5,061	(107)	(350)	(1,888)	5,616
Dividend paid	(0)	(0)	(4)	(1)	(4)	(591)
Share deposit money	-	3,227	1,790	-	-	-
Cost of right issue	-	(102)	-	-	-	-
Cash generated from/(used in) financing activities	(6,949)	5,814	3,171	2,795	(1,812)	3,451
Net increase/(decrease) in cash and cash equivalents	(12)	217	27	16	43	(13)
Amalgation adjustment	-	-	-	22	-	-
Cash and cash equivalents at the beginning of the year	796	579	552	514	471	484
Cash and cash equivalents at the end of the year	784	796	579	552	514	471

Free Cash Flows

Rs. in millions	2023	2022	2021	2020	2019	2018
Profit before taxation	3,304	2,348	2,206	356	881	1,557
Adjustments for non-cash and other items	4,974	4,346	3,031	3,294	3,300	2,609
Changes in working capital	5,130	(5,699)	(4,874)	(1,645)	2,023	(3,066)
Cash generated from operations	13,408	996	363	2,004	6,204	1,100
Capital expenditure	(2,098)	(3,026)	(1,088)	(2,089)	(2,073)	(2,377)
Free Cash Flows	11,310	(2,030)	(725)	(84)	4,131	(1,277)

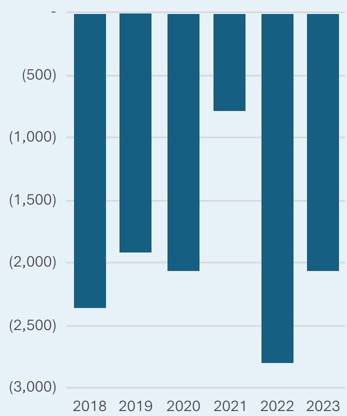
Cash Flows from Operating Activities

[Rs. in millions]



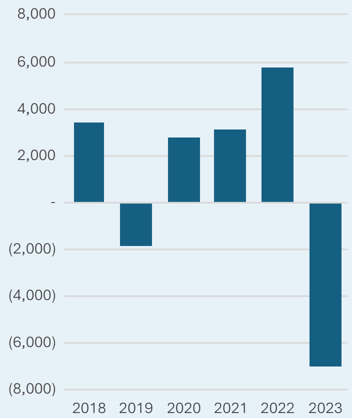
Cash Flows from Investing Activities

[Rs. in millions]



Cash Flows from Financing Activities

[Rs. in millions]



Cashflows from Operating Activities

2023: 8,987mn | 2022: (2,809mn)

In 2023, the Company exhibited robust cashflows from operating activities, primarily stemming from its pre-tax profits amounting to Rs. 3,304 million. This figure was adjusted for non-cash expenses and other items totaling Rs. 4,974 million, alongside positive working capital changes amounting to Rs. 5,130 million. These changes were primarily driven by a decrease in inventories and trade debts, coupled with an increase in trade and other payables. Consequently, the Company generated a substantial cash flow from operations, totaling Rs. 13,408 million. However, this was partially offset by payments made for income tax and interest/markup/profit, aggregating to Rs. 4,421 million, resulting in a net cash generated from operating activities amounting to Rs. 8,987 million. This robust performance underscores the Company's enhanced operational efficiency, effective cost management, and improved profitability, all contributing to a healthier cash flow position and instilling confidence among stakeholders.

Cashflows from Investing Activities

2023: (2,049mn) | 2022: (2,788mn)

During the fiscal year 2023, the Company incurred expenditures totaling Rs. 2,065 million and Rs. 1.3 million on the acquisition of property, plant, and equipment, and intangible assets, respectively. Additionally, advances to suppliers of property, plant, and equipment amounted to Rs. 31 million. These outflows culminated in a total outflow of Rs. 2,098 million attributed to investing activities. However, this was partially mitigated by proceeds from the disposal of property, plant, and equipment amounting to Rs. 49.1 million, resulting in a net cash used in investing activities of Rs. 2,049 million for the year 2023.

Cashflows from Financing Activities

2023: (6,949mn) | 2022: 5,814mn

In terms of financing activities, the Company allocated Rs. 1,500 million towards the redemption of Sukuks and Rs. 2,121 million for the repayment of long-term finances, while lease liabilities were settled with a payment of Rs. 95 million. Additionally, short-term borrowings were reduced by Rs. 3,234 million. Collectively, these activities resulted in a total expenditure of Rs. 6,949 million in financing activities.

Cash and Cash Equivalents

2023: (6,949mn) | 2022: 5,814mn

At the outset of the financial year, the Company commenced with cash reserves amounting to Rs. 796 million. Through efficient operational management, cash generated from operations amounted to a substantial Rs. 8,987 million. However, these funds were subsequently utilized in investing and financing activities, totaling Rs. 2,049 million and Rs. 6,949 million, respectively. As a result, the Company concluded the fiscal year 2023 with a cash balance of Rs. 784 million. This positive change in cash flows from operating activities underscores the Company's ability to generate cash from operations to finance capital investments and meet financial obligations with operating cash flows, thereby reinforcing stakeholder confidence in its financial stability and operational prowess.

Direct Method Cash Flows

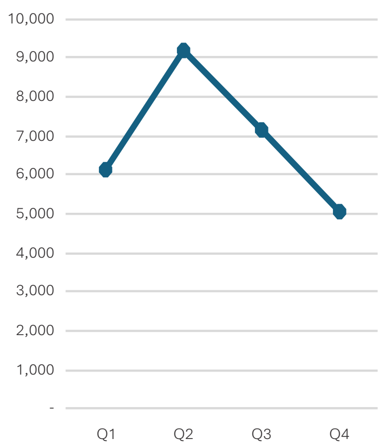
Rs. in million	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers - net	49,819	64,312
Payments to suppliers/service providers/employees etc. - net	(36,230)	(63,146)
Payment to Workers' Profit Participation Fund	(142)	(130)
Payment to Workers' Welfare Fund	(39)	(41)
Interest/mark-up on borrowings paid	(3,592)	(2,799)
Income taxes paid	(829)	(1,007)
Net cash generated from/(used in) operating activties	8,987	(2,809)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,066)	(3,009)
Purchase of intangible assets	(1)	(2)
Proceeds from disposal of property, plant and equipment	49	238
Advances for capital expenditure	(31)	(16)
Net cash generated used in investing activties	(2,049)	(2,788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term debt	(3,716)	(2,371)
Short term borrowings	(3,234)	5,061
Dividend paid	-	-
Share deposit money	-	3,227
Cost of right issue	-	(102)
Net cash (used in)/generated from financing activties	(6,949)	5,814
Net (decrease)increase in cash and cash equivalents	(12)	217
Cash and cash equivalents as at beginning of the year	796	579
Cash and cash equivalents at the end of the year	784	796

FINANCIAL PERFORMANCE

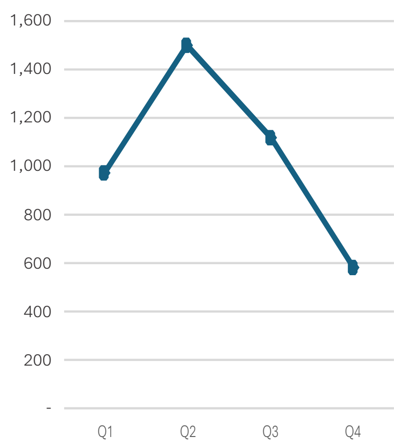
QUARTERLY ANALYSIS

Rs. in million	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Revenue from contracts with customers	10,109	15,634	12,411	10,170	48,324
Sales tax, excise duty and discounts	(1,968)	(3,055)	(2,486)	(2,130)	(9,639)
Net revenue	8,141	12,579	9,925	8,040	38,685
Cost of sales	(6,135)	(9,192)	(7,182)	(5,072)	(27,581)
Gross profit	2,006	3,387	2,743	2,968	11,104
Other income	22	26	-	56	104
Selling and distribution expenses	(520)	(885)	(526)	88	(1,843)
Administrative expenses	(434)	(552)	(531)	(558)	(2,075)
Other expenses	(20)	(62)	(64)	(107)	(253)
	(974)	(1,499)	(1,121)	(576)	(4,170)
Impairment (allowance)/reversal for expected credit losses	-	-	-	(85)	(85)
Operating profit	1,054	1,914	1,622	2,362	6,952
Finance cost	(881)	(1,090)	(890)	(788)	(3,649)
	173	824	732	1,575	3,304
Share of profit/(loss) of associate	-	-	-	(0)	-
Profit before taxation	173	824	732	1,574	3,304
Taxation	(135)	(333)	(315)	(1,196)	(1,979)
Profit after taxation	38	491	417	379	1,325

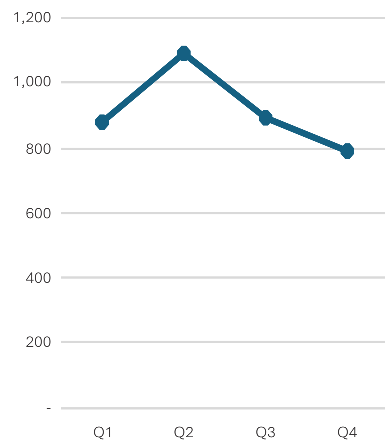
Cost of Sales
[Rs. in millions]



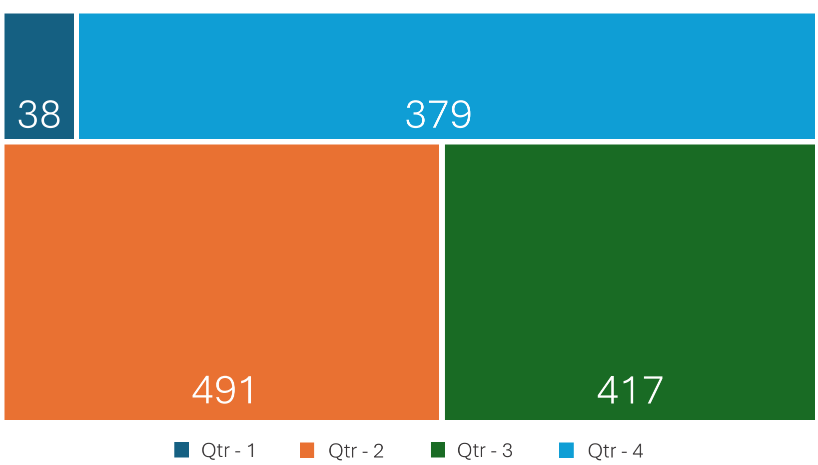
Operating Expenses
[Rs. in millions]



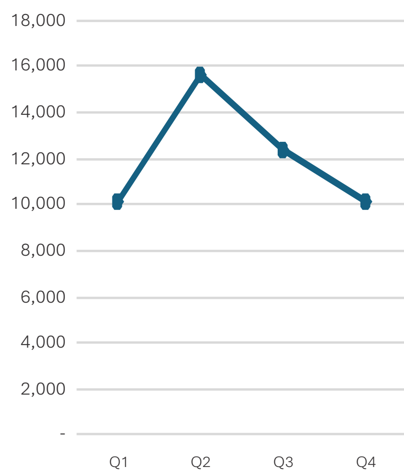
Finance Cost
[Rs. in millions]



Profit after Taxation
[Rs. in millions]



Gross Revenue
[Rs. in millions]



Quarter 1

Sales

In Q1, Gross Revenue plummeted to Rs. 10,109 million, marking a hefty 37.94% drop from the same quarter in 2022. This decline stemmed from various interconnected factors reshaping the business landscape. Foremost was the economic slowdown, which significantly curtailed consumer spending and overall demand. Inflation compounded these challenges, eroding consumer purchasing power and dampening demand for non-essential goods and services. Simultaneously, escalating production costs, driven by currency depreciation and global commodity price hikes, squeezed profit margins. Supply chain disruptions exacerbated the situation, with import restrictions exacerbating scarcity of inputs and hindering production capabilities.

Profitability

In Q1, our gross margin soared to an impressive 24.64% due to strategic cost reductions and robust pricing strategies. Distribution costs fell by 40%, indicating enhanced logistics efficiency, while administrative expenses decreased by 17%, reflecting prudent cost management efforts. However, a 32% surge in finance costs, attributed to policy rate hikes, led to a 61% drop in pre-tax profit, underscoring the importance of managing financial factors alongside operational efficiency.

Quarter 2

Sales

In Q2, Sales Revenue dropped to Rs. 15,634 million, a notable decline of 32.68% from the same period in 2022. This downturn was primarily influenced by adverse economic conditions and political uncertainty. The economic slowdown affected consumer sentiment, leading to reduced discretionary spending and overall demand. Rising inflation further strained purchasing power, exacerbating the decline in sales. Political uncertainties, including government policies and geopolitical tensions, added to the challenging environment, deterring investment and consumption activities. Supply chain disruptions, driven by import restrictions, also hampered production capabilities, contributing to the decline in sales revenue.

Profitability

In Q2, the gross margin surged impressively to 26.93%, a substantial improvement from the previous quarter. This enhancement was attributed to more effective pricing strategies and optimized Fixed Overhead costs. However, administrative expenses increased by 34%, partially offset by an 11% reduction in selling expenses due to strategic marketing adjustments. Despite these gains, a 31% surge in finance costs, attributed to elevated policy rates, led to a 34% decrease in profit before tax.

Quarter 3

Sales

In Q3, Sales Revenue totaled Rs. 12,411 million, marking a notable decrease of 15.37% from the previous year's corresponding quarter. This drop was influenced by seasonal fluctuations and various external factors impacting the business environment.

Seasonal effects, particularly in the home appliances segment, led to reduced consumer interest and purchasing activity. Economic slowdown, inflation, and political uncertainty further dampened consumer sentiment, resulting in decreased spending across sectors and exerting downward pressure on Sales Revenue.

Profitability

In Q3, our gross margin surged to an impressive 27.64%, a significant improvement from the previous year. This was attributed to strategic digital marketing efforts, expanding reach and visibility.

Despite a 4% increase in selling expenses due to these initiatives, our financial performance showed resilience. Administrative expenses and finance costs rose by 8% and 18%, respectively, yet profit before tax surged by an impressive 44% compared to the previous year's quarter, reflecting the effectiveness of our business strategy.

Quarter 4

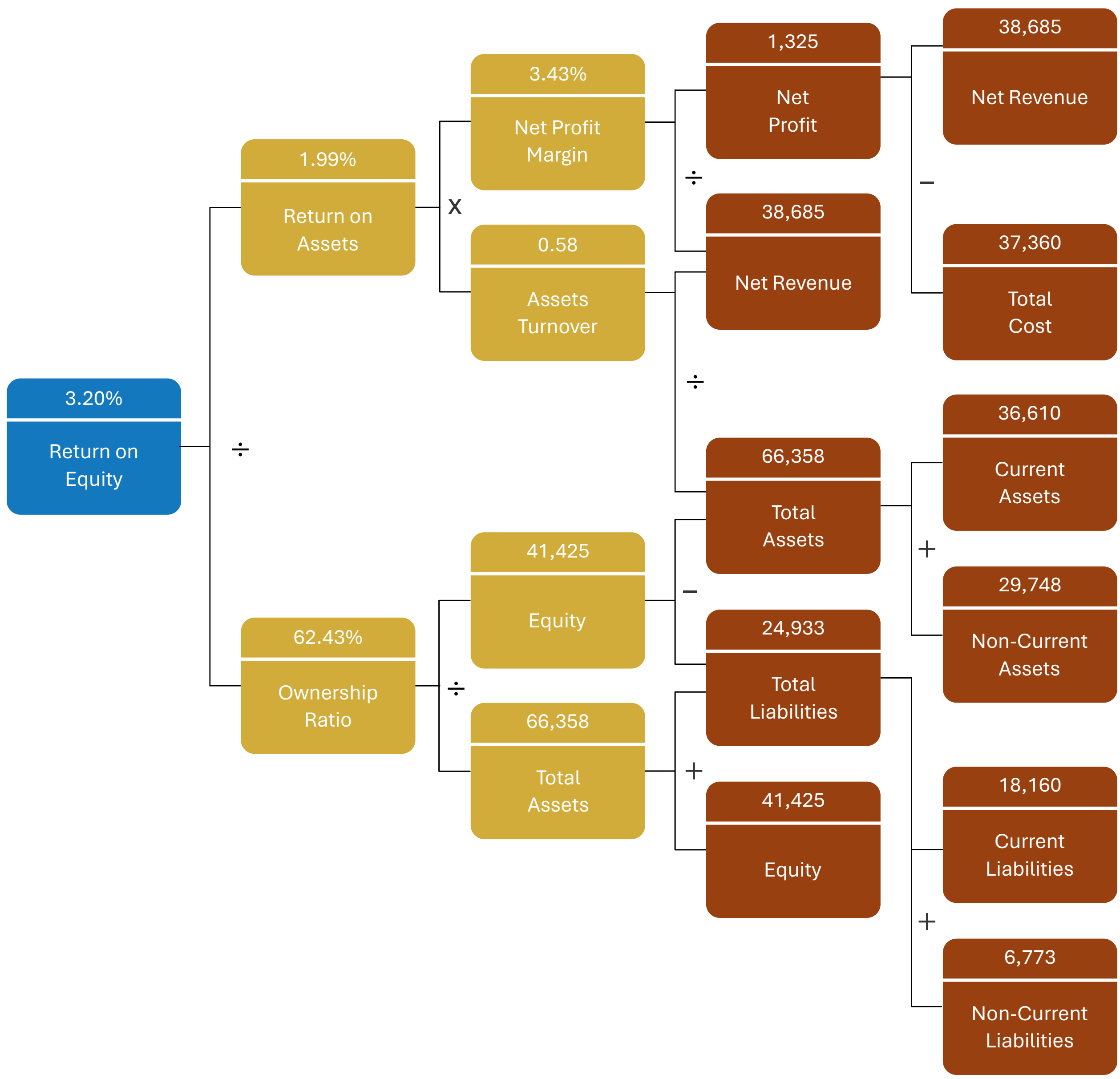
Sales

In Q4, Sales Revenue amounted to Rs. 10,170 million, marking a notable drop of 14.17% from the previous year's corresponding quarter. This decline was influenced by a combination of factors, including political uncertainty, seasonal fluctuations, inflationary pressures, and diminished purchasing power among consumers. Political uncertainty, stemming from government policies and elections, deterred consumer confidence and investment activities, leading to reduced spending. Seasonal variations in demand further impacted Sales Revenue, particularly affecting specific product categories. Moreover, persistent inflation eroded consumer purchasing power, constraining demand for goods and services.

Profitability

During the fourth quarter, our gross margin witnessed a remarkable surge, reaching an impressive 36.91%, a significant improvement from the 20.83% recorded in the fourth quarter of 2022. This notable enhancement can be attributed to our concerted efforts in reducing production costs and implementing more effective pricing strategies. By optimizing our production processes and adopting strategic pricing approaches, we were able to bolster our gross margin substantially, thereby strengthening our financial position.

FINANCIAL PERFORMANCE
DUPONT ANALYSIS



Analysis

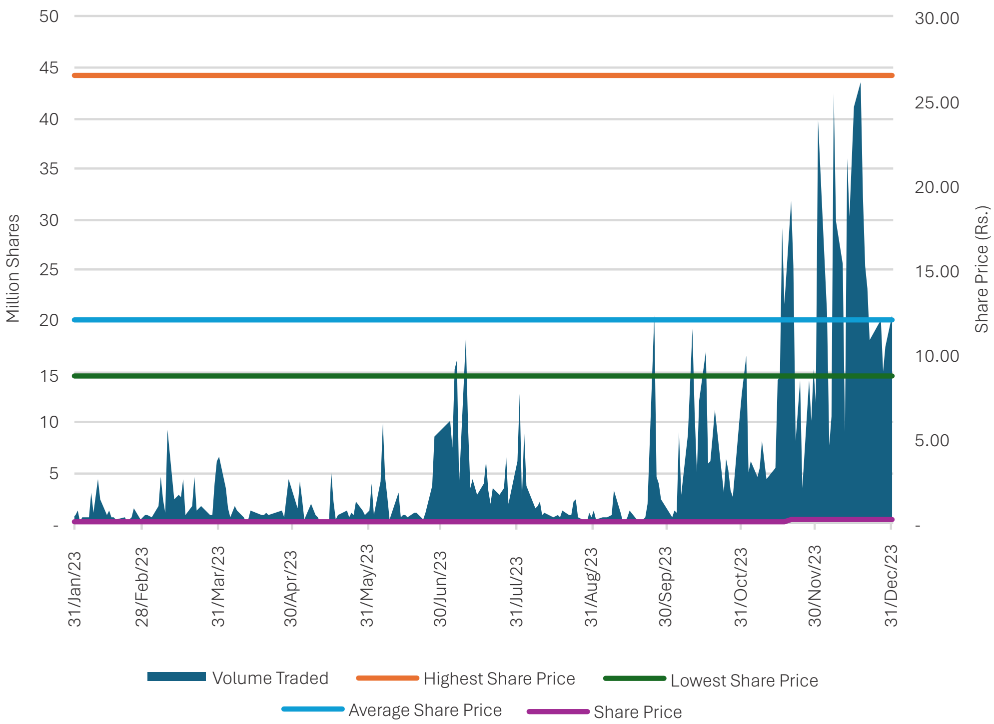
Sales saw a decline of 26% compared to the previous year. However rationalization of production costs along with efficiencies in operating expenses resulted in a net profit of Rs. 1,325 million, a remarkable achievement in a challenging era. Equity saw an increase of 6.22% year-on-year, largely attributed to the profit earned during the year. Total assets decreased by 1.6%, which, along with the sales decline, reduced the assets turnover from 0.78 times in 2022 to 0.58 times in 2023. This decrease in assets turnover mitigated with an improved net profit margin of 3.43%, resulted in a higher return on assets, in turn leading to an enhanced return on equity of 3.43%.

Dupont Analysis		2023	2022
Tax burden	%	40.11	45.46
Interest burden	%	47.33	40.42
EBIT margin	%	18.05	11.09
Asset turnover	Times	0.58	0.78
Leverage	%	160.19	173.04
Return of Equity	%	3.20	2.74

SHARE PRICE ANALYSIS

The Company is listed on Pakistan Stock Exchange which is a large and liquid stock exchange, offering orderly and reliable market prices for its investors. As at 31 December 2023, market capitalization of PEL shares stood at Rs. 19,329 million, up by 74.36% from previous year. PEL share traded at an average of Rs. 12.05 per share. Market price experienced fluctuations, principally, caused by market psychology, speculative investors and material events occurring during the year, between Rs. 8.75 and Rs. 26.60 per share. Total trading volume during the year was 1,387 million shares registering an increase of 43.24% over the previous year.

Share Price vs Volume Traded



Highest	Average	Lowest
Rs. 26.60	Rs. 12.05	Rs. 8.75

Share Price Sensitivity

PEL's share price is directly affected by its performance. However, there are numerous other factors which influence share price of the Company. These factors and the way these influence the share price of the Company are as follows:

General Market Sentiment

The general stock market sentiment prevalent in the country not only affects share price but also the trading volumes. Market sentiment is generally based on political, economical and law and order situation of the Country and any uncertainty regarding these adversely affects share prices.

Shares' Market Perception

Shareholders' perception of the Company's share affects how it is valued on the exchange. A sell behavior induces a fall in share price.

Financial Performance

The Company's financial performance is affected by a number of factors which include, but are not limited to, interest rates, energy crises, currency valuation, engineering and home appliances industry and government polices.

FINANCIAL PERFORMANCE

SEGMENTAL REVIEW

An operating segment is a component of an entity:

a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

c) for which discrete financial information is available.

Information about the Group's reportable segments as at the reporting date is as follows:

Segments	Nature Of Business
Power Division	Manufacturing and distribution of Transformers, Switch Gears, Energy Meters, Power Transformers and Engineering, Procurement and Construction Contracting (EPC).
Appliances Division	Manufacturing, assembling and distribution of Refrigerators, Air conditioners, Deep Freezers, Microwave ovens, Water Dispensers, LED TVs, Washing Machines and other Small Domestic Appliances.

Power Division

Revenue of Power Division decreased from Rs. 31,815 million to Rs. 26,024 million. This 18.20% decrease is mainly due to political uncertainty, increased policy rates, import restrictions, Pak Rupee devaluation, elevated inflation and fluctuation in development strategies of the Government. Due to factors mentioned above overall production of this segment decreased by 30%.

Finance cost of this segment increased by 15.95% as compared with the previous year due to increased policy rates, bank charges and the loans taken for investing and working capital requirements, inline with the Company's vision for growth and maximize the shareholders wealth.

Profit of this Division during the year increased by 27% as compared with the last year, this is achieved majorly due to operational efficiencies and FOH optimization.

Appliances Division

Revenue of Home Appliances Division decreased from Rs. 34,213 million to Rs. 22,299 million. This 34.82% decrease is mainly due to political uncertainty, import restrictions, increased policy rates, Pak rupee devaluation, elevated inflation and reduced purchasing power of the customers. Overall production of this segment decreased by 52% .

20.86% increase in finance cost is observed as compared with the previous year primarily due to hike in policy rate and bank charges throughout the year. There is a major decrease in the loans taken for transfer of production facilities from unit 1 to unit 2.

FOH optimization and decrease in selling expenses due to curtailed marketing activities caused profit to increase by 144% in this Division.

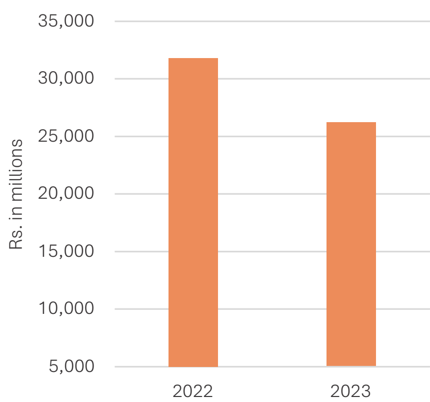
Power Division

	2023 Rs. in M	2022 Rs. in M	YoY %age
Revenue	26,024	31,815	(18.20)
Finance cost	2,021	1,743	15.95
Segment profit	2,828	2,225	27.10

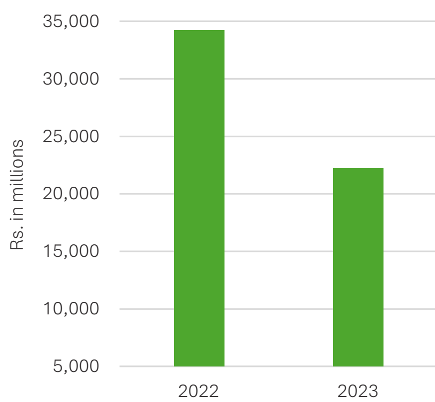
Appliances Division

	2023 Rs. in M	2022 Rs. in M	YoY %age
Revenue	22,299	34,213	(34.82)
Finance cost	1,628	1,347	20.86
Segment profit	624	255	144.71

Power Division Revenue



Appliances Division Revenue



SENSITIVITY ANALYSIS

When conducting sensitivity analysis, it is imperative to evaluate how various factors influence key financial metrics such as net profit. The Company examines various financial metrics to gauge their impact on net profit, recognize potential threats to profitability, and implement appropriate measures. The table below illustrates the sensitivity of different variables on Profit after Taxation (PAT) and Earnings per Share (EPS) for the Company in 2023.

Sensitivities	PAT (Rs. M)	EPS (Rs.)
Selling price +/- 1%	236	0.23
Raw material cost +/-1%	137	0.11
Payroll costs +/-5%	181	0.16
Interest/mark-up cost +/- 1%	160	0.14
Rupee depreciation +/-5%	69	0.03

Selling Price

Selling prices play a pivotal role in sensitivity analysis as they directly affect revenue and, consequently, net profit. An increase in selling prices can elevate both revenue and net profit, while a decrease may result in reduced profitability. Sensitivity analysis quantifies this effect, facilitating informed decision-making on pricing strategies and risk management. Understanding how net profit responds to changes in selling prices helps optimize financial performance and mitigate risks in a dynamic market environment.

Raw Material Costs

Raw material costs are essential in sensitivity analysis as they directly impact the Company's cost of sales and, consequently, its profitability. When raw material costs escalate, the cost of sales rises, potentially lowering net profit unless offset by higher selling prices or cost efficiencies. Sensitivity analysis quantifies this impact, enabling management to evaluate the Company's exposure to price volatility and devise effective risk management strategies. By assessing raw material costs' sensitivity, companies can identify cost pressures, evaluate procurement strategies, and explore opportunities for cost optimization. Overall, understanding how net profit reacts to changes in raw material costs informs strategic decision-making aimed at enhancing financial performance and resilience.

Payroll Costs

Sensitizing payroll costs is crucial as they represent a significant portion of a Company's expenses and directly influence its financial well-being. By assessing how net profit responds to changes in payroll costs, management can comprehend the potential impact on profitability and make informed decisions regarding workforce planning, compensation strategies, and cost management initiatives. Sensitivity analysis identifies vulnerabilities to fluctuations in labor costs, enabling proactive risk mitigation and scenario planning. It also facilitates strategic resource allocation and optimization efforts to enhance operational efficiency and maintain competitiveness in the market. Overall, incorporating payroll costs into sensitivity analysis is vital for effective financial planning, risk management, and sustainable business growth.

Interest/Mark-up Costs

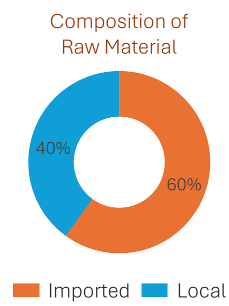
Sensitizing interest/mark-up costs is crucial as they significantly impact a Company's profitability and cash flow, especially for those relying on debt financing. By assessing their sensitivity, management can make well-informed decisions regarding debt management, refinancing, and investment strategies. This helps identify vulnerabilities to interest rate fluctuations enabling proactive risk mitigation and strategic planning to uphold financial stability and flexibility.

Forex Fluctuations

Sensitizing to forex fluctuations is essential as they directly influence a Company's financial performance, particularly for businesses engaged in international trade. Assessing their sensitivity helps management understand the potential impact on revenue, expenses, and profitability. By analyzing forex sensitivity, companies can develop strategies to manage currency risks, such as hedging or diversification, and optimize their financial outcomes. This analysis enables proactive risk mitigation and strategic decision-making to navigate currency volatility effectively and maintain financial stability.

Local vs Imported Raw Material and Exposure to FOREX Fluctuations

The Company sources a significant part of its material procurement from international markets. Majority of these are imported directly, however some of the imported material is also procured from local importers / vendors.



NON FINANCIAL PERFORMANCE

Capitals	Objective	KPI's Monitored	PEL Performance	Future Relevance
Manufactured Capital	Product innovation and development	No. of products launched.	2 new microwave models launched. 2 new air conditioner models launched.	Yes *The Company continues to recognized the importance of consumer-driven produuct development.*
	Maintain industry leadership and market presence	Sales and Service Centers. Dealers Network.	19 Sales Centres. 20 Service Centres. 1,551 Dealers.	Yes *Increasing access to customers through a nation-wide sales/service centre and dealer network is vital to maintain industry leadership and market presence.*
	Enhance production facilities and processes to improve efficiency	Plant Availability.	Plant Availability of 98%.	Yes *The Company believes that in order to achieve efficiencies and economies of scale, it has to enhance and maintain production efficiencies.*
Intellectual Capital	Maintaining highest qualities of processes	Certifications and Achievements.	ISO 9001:2015 certified Quality Management System. ISO 14001:2015 certified Environmental Management System. ISO 45001:2018 certified Occupational Health and Safety Management System. Transformer Testing Lab is accredited on ISO/IEC 17025:2017.	Yes *Maintaining higest quality standards in processes is important for the Company to ensures standardized procedures, fostering efficiency, quality assurance, and enhanced credibility in operations.*
	Producing products with top quality standards	Product Certifications and Validation.	CE Mark Certification for Distribution Transformer, Switchgear and Energy Meters. CM License for Refrigerator, Deep-Freezer and Energy Meter from Pakistan Standard and Quality Control Authority. Distribution Transformers and Energy Meters are Type Tested from KEMA (STL Lab Member), Nederland. Power Transformer is Type Test certified from VEIKI (STL Lab Member), Hungary. Switchgear Panels are Type Tested from KERI (STL Lab Member), Korea.	Yes *PEL believes that product validations provide assurance of quality, safety, and compliance with industry standards, enhancing customer trust, marketability, and access to new markets.*

Capitals	Objective	KPI's Monitored	PEL Performance	Future Relevance
Human Capital	Personnel development	Employee Training Hours.	196,800 hours of technical and non-technical trainings arranged.	Yes *Human capital shall continue to remain of the most important areas of focus for the Company.*
	Maintain a preferred employer position in the industry	Workforce Strength. Staff Turnover Ratio.	4,238 personnel employed. Staff Turnover Ratio of 30.74%.	Yes *Occupying preferred employer position in the industry is vital for the Company to hire and retain top-quality talent.*
Natural Capital	Investment in preserving planet	Plantation Initiatives.	Green Lahore Drive: Planted 100 trees and donated 500 trees.	Yes *Preserving the planet shall remain one of the top social goals of the Company.*
	Increasing green footprints	Energy Conservation Measures.	Development and use of Energy Information Systems to help identify energy losses at PEL's production units.	Yes *PEL recognizes the importance of increasing green footprints as a responsible corporate citizen.*
Social and Relationship Capital	Maintain customer relationships	Sales and Service Centers. Dealers Network. Dealer Engagements.	19 Sales Centres. 20 Service Centres. 1,551 Dealers. 84 Dealers Engagement Events.	Yes *Nurturing strong customer relationships fosters loyalty, increases retention rates, and generates valuable feedback, driving long-term business growth and success.*
	Maintain occuptional health and safety standards	No. of Health and Safety Incidents reported.	No serious health and safety incidents occurred during the year.	Yes *Adhering to occupational health and safety standards ensures a safe work environment, reduces workplace accidents, boosts employee well-being, and enhances organizational reputation and compliance.*
	Be a socially responsible corporate entity	No. of CSR initiatives.	48 CSR initiatives taken.	Yes *at PEL, we pride ourselves in aligning our business strategy to meet societal needs.*
	Maintain relationship with employees	No. of Employe Engagement Events.	260 Employee Engagement Events held.	Yes *Fostering healthy relationships with employees cultivates a positive work culture, driving productivity, retention, and overall organizational success.*

MARKETING ACTIVITIES

PEL Marketing Activities

In year 2023, our primary focus revolved around the meticulous maintenance of market share and equity, which yielded commendable results. Extensive research and analysis indicate that PEL not only successfully retained but also expanded its equity across significant market categories. This achievement underscores our unwavering commitment to delivering exceptional quality and innovative designs that resonate deeply with consumers.

In particular, PEL Refrigerators emerged as a standout product, recognized by discerning consumers as the epitome of superior design and functionality. The iconic Blaze design, a hallmark of PEL's ingenuity, has captivated the imagination of consumers for over half a decade, establishing itself as a timeless symbol of excellence in the realm of home appliances.

Digital Media Buying

PEL strategically shifted its focus towards digital media buying, driven by a strong desire to embrace data-driven decision-making processes. This marked a pivotal moment for PEL's marketing strategy, positioning it at a crossroads where traditional media channels were phased out in favor of a more comprehensive and integrated approach to media buying. Embracing the renowned marketing Rule of 7, which stipulates that consumers typically require seven touch points before committing to a purchase, PEL meticulously orchestrated a series of engagements across various digital platforms. This proactive approach not only ensured a deeper level of engagement with consumers but also enhanced brand visibility and resonance, solidifying PEL's position as a forward-thinking and consumer-centric entity in the market.

Jeeto PEL Se

“Jeeto PEL Se” exemplifies PEL's dedication to rewarding excellence and spreading joy within the community. This initiative, spanning across 7 cities with 2 kiosks in each city, not only celebrated the hard work of Field Sales Managers (FSMs) with motorbike rewards but also extended heartfelt blessings to customers through Umrah Tickets. It's more than a lucky draw; it's a reflection of PEL's commitment to creating meaningful experiences. PEL believes in fostering happiness and spiritual fulfillment, and “Jeeto PEL se” is a shining example of that belief in action. This activity brought smiles to many faces and strengthened the bond of trust and gratitude between the company and its stakeholders. As PEL moves forward, the company remains dedicated to initiatives that not only drive success but also contribute positively to the lives of those served. “Jeeto PEL se” is not just a reward; it's a symbol of PEL's values in action.

PEL's Resilient Market Presence

Despite facing a tumultuous year, PEL stood resilient, steadfastly maintaining its brand integrity amidst challenging circumstances. The marketing department's unwavering commitment and strategic acumen played a pivotal role in not just preserving but also innovating during these unstable times. Leveraging agility and foresight, PEL navigated through the complexities of the market landscape, showcasing a remarkable ability to adapt and thrive in adversity. This resilience not only safeguarded the brand's reputation but also positioned PEL as a beacon of innovation and resilience in the industry. The continuous drive towards innovation underscored PEL's unwavering dedication to excellence, ensuring that even in turbulent waters, the company remained at the forefront of delivering value and innovation to its customers.

PEL Refrigerators emerged as a standout product, recognized by discerning consumers as the epitome of superior design and functionality. The iconic Blaze design, a hallmark of PEL's ingenuity, has captivated the imagination of consumers for over half a decade, establishing itself as a timeless symbol of excellence in the realm of home appliances.


JEETO
PEL SE


JEETO
PEL SE


For Everyone
PEL Change your life
PEL
JEETO
PEL SE
PEL PRODUCT BAICHO
AUR LUCKY DRAW SE
JEETO
PEL
Change your life
JEETO
PEL SE


Change your life


PEL Change your life
JEETO
PEL SE
PEL PRODUCT BAICHO
JEETO
JEETO
PEL SE
BUY ANY PEL PRODUCT
& GET A CHANCE TO
WIN
VIA LUCKYDRAW
JEETO
PEL SE


JEETO
PEL SE
BUY ANY PEL PRODUCT
& GET A CHANCE TO
WIN
VIA LUCKYDRAW

PATTERN OF SHAREHOLDING

FORM 34

THE COMPANIES ACT 2017
[Section 227(2)(f)]
PATTERN OF SHAREHOLDING

1. Name of the Company — PAK ELEKTRON LIMITED

2. Pattern of holding of the shares held by the shareholders as at — 31-12-2023

2.2 Number of shareholders	Shareholding From	Shareholding To	Total shares held
1,364	1	100	47,983
1,746	101	500	662,810
1,623	501	1,000	1,495,640
3,232	1,001	5,000	8,944,576
1,041	5,001	10,000	8,206,768
413	10,001	15,000	5,324,894
273	15,001	20,000	5,014,447
182	20,001	25,000	4,258,338
137	25,001	30,000	3,854,387
83	30,001	35,000	2,754,792
82	35,001	40,000	3,143,144
37	40,001	45,000	1,590,109
70	45,001	50,000	3,443,686
27	50,001	55,000	1,429,288
24	55,001	60,000	1,394,423
17	60,001	65,000	1,059,735
18	65,001	70,000	1,230,005
24	70,001	75,000	1,765,341
16	75,001	80,000	1,250,565
15	80,001	85,000	1,253,930
26	85,001	90,000	2,281,748
6	90,001	95,000	557,390
52	95,001	100,000	5,171,825
13	100,001	105,000	1,341,203
10	105,001	110,000	1,087,748
9	110,001	115,000	1,013,900
8	115,001	120,000	948,700
8	120,001	125,000	981,300
6	125,001	130,000	767,804
9	130,001	135,000	1,198,832
5	135,001	140,000	691,580
9	140,001	145,000	1,293,470
13	145,001	150,000	1,944,280
11	150,001	155,000	1,689,471
2	155,001	160,000	314,880
1	160,001	165,000	160,300
5	165,001	170,000	843,259
4	170,001	175,000	698,000
1	175,001	180,000	176,500
3	180,001	185,000	551,183
1	185,001	190,000	188,759
1	190,001	195,000	194,700
25	195,001	200,000	4,991,000
1	200,001	205,000	200,500
3	210,001	215,000	643,000
1	215,001	220,000	216,490
5	220,001	225,000	1,117,500
1	230,001	235,000	234,000
1	235,001	240,000	240,000
3	240,001	245,000	730,500

Number of shareholders	Shareholding From	To	Total shares held
6	245,001	250,000	1,495,800
3	250,001	255,000	756,880
2	255,001	260,000	519,000
1	265,001	270,000	270,000
1	270,001	275,000	275,000
1	280,001	285,000	285,000
1	290,001	295,000	290,100
6	295,001	300,000	1,800,000
1	300,001	305,000	301,000
1	310,001	315,000	314,480
1	320,001	325,000	321,000
1	325,001	330,000	328,375
1	330,001	335,000	332,528
1	340,001	345,000	344,000
1	345,001	350,000	350,000
1	355,001	360,000	355,500
1	360,001	365,000	360,010
1	370,001	375,000	375,000
2	375,001	380,000	759,140
2	380,001	385,000	767,170
1	390,001	395,000	393,689
3	395,001	400,000	1,195,600
1	400,001	405,000	400,500
3	415,001	420,000	1,252,400
2	420,001	425,000	848,000
1	425,001	430,000	428,240
2	435,001	440,000	873,550
1	440,001	445,000	442,500
3	445,001	450,000	1,350,000
1	455,001	460,000	457,259
1	460,001	465,000	461,000
1	475,001	480,000	480,000
2	480,001	485,000	963,990
5	495,001	500,000	2,500,000
1	505,001	510,000	508,000
1	525,001	530,000	529,000
2	540,001	545,000	1,087,200
3	545,001	550,000	1,650,000
1	590,001	595,000	591,000
1	600,001	605,000	602,000
1	620,001	625,000	625,000
1	625,001	630,000	627,000
1	640,001	645,000	641,940
1	660,001	665,000	664,000
1	670,001	675,000	675,000
1	685,001	690,000	687,000
1	690,001	695,000	694,000
1	710,001	715,000	713,661
1	720,001	725,000	724,000
1	740,001	745,000	740,947
1	745,001	750,000	750,000
1	750,001	755,000	752,000
1	795,001	800,000	800,000
1	840,001	845,000	843,500
1	845,001	850,000	850,000
1	885,001	890,000	890,000
1	900,001	905,000	903,000
1	920,001	925,000	924,060
1	940,001	945,000	941,800
1	995,001	1,000,000	1,000,000
1	1,000,001	1,005,000	1,000,934
1	1,040,001	1,045,000	1,044,468

PATTERN OF SHAREHOLDING

Number of shareholders	Shareholding From	To	Total shares held
1	1,060,001	1,065,000	1,062,349
2	1,175,001	1,180,000	2,354,001
1	1,215,001	1,220,000	1,220,000
1	1,240,001	1,245,000	1,244,000
1	1,260,001	1,265,000	1,262,624
1	1,440,001	1,445,000	1,443,500
1	1,450,001	1,455,000	1,450,650
1	1,495,001	1,500,000	1,500,000
1	1,545,001	1,550,000	1,548,000
1	1,695,001	1,700,000	1,700,000
1	1,715,001	1,720,000	1,720,000
1	1,790,001	1,795,000	1,792,000
1	1,880,001	1,885,000	1,880,580
1	1,890,001	1,895,000	1,891,000
1	1,895,001	1,900,000	1,900,000
1	1,995,001	2,000,000	2,000,000
1	2,580,001	2,585,000	2,584,523
1	2,665,001	2,670,000	2,669,630
1	2,820,001	2,825,000	2,822,000
1	2,995,001	3,000,000	3,000,000
1	3,865,001	3,870,000	3,868,029
1	4,085,001	4,090,000	4,088,180
1	4,090,001	4,095,000	4,095,000
1	4,350,001	4,355,000	4,350,500
1	4,995,001	5,000,000	5,000,000
1	6,615,001	6,620,000	6,618,865
1	8,100,001	8,105,000	8,102,735
1	9,350,001	9,355,000	9,350,215
1	11,485,001	11,490,000	11,488,200
1	13,805,001	13,810,000	13,806,440
1	14,035,001	14,040,000	14,035,549
1	14,945,001	14,950,000	14,946,160
1	29,345,001	29,350,000	29,346,780
1	31,430,001	31,435,000	31,433,566
1	49,995,001	50,000,000	50,000,000
1	71,140,001	71,145,000	71,142,351
1	183,780,001	183,785,000	183,780,395
1	217,810,001	217,815,000	217,813,429
10,799			856,012,155

CLASSIFICATION OF ORDINARY SHARES BY CATEGORIES AS AT DECEMBER 31, 2023

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	9	261,472,973	30.5455
Associated Companies, undertakings and related party	1	1,044,468	0.1220
NIT and ICP	5	7,519,357	0.8784
Banks Development Financial Institutions Non Banking Financial Institution	13	21,772,594	2.5435
Insurance Companies	9	56,593,658	6.6113
Modarabas and Mutual Funds	20	12,173,762	1.4221
General Public	10,560	411,707,486	48.0960
Others (to be specified)			
Pension Funds	11	2,089,527	0.2441
Other Companies	14	931,709	0.1088
Investment Companies	4	3,178,000	0.3713
Joint Stock Companies	127	26,039,991	3.0420
Foreign Companies	26	51,488,630	6.0149
	10,799	856,012,155	100.0000

CATEGORIES OF SHAREHOLDING REQUIRED UNDER LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AS ON DECEMBER 31, 2022

Sr. No.	Name	No. of Shares Held	Percentage
	Associated Companies, Undertakings and Related Parties:		
1	PROGRESSIVE INDUSTRIES (LAHORE) (PVT) LTD (CDC)	1,044,468	0.1220
		1,044,468	**0.1220**
	Mutual Funds:		
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	133,393	0.0156
2	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	890,000	0.1040
3	TRUSTEE APF-EQUITY SUB FUND (CDC)	225,000	0.0263
4	TRUSTEE APIF - EQUITY SUB FUND (CDC)	225,000	0.0263
5	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	1,178,201	0.1376
6	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	1,700,000	0.1986
7	CDC - TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	59,300	0.0069
8	CDC - TRUSTEE AWT STOCK FUND (CDC)	52,300	0.0061
9	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	461,000	0.0539
10	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT (CDC)	1,244,000	0.1453
11	CDC - TRUSTEE HBL INCOME FUND - MT (CDC)	423,500	0.0495
12	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND (CDC)	55,328	0.0065
13	CDC - TRUSTEE NBP BALANCED FUND (CDC)	253,880	0.0297
14	CDC - TRUSTEE NBP ISLAMIC STOCK FUND (CDC)	713,661	0.0834
15	CDC - TRUSTEE NBP SARMAYA IZAFA FUND (CDC)	118,760	0.0139
16	CDC - TRUSTEE NBP STOCK FUND (CDC)	4,088,180	0.4776
17	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND (CDC)	188,759	0.0221
		12,010,262	**1.4030**
	Directors, CEO and their Spouse and Minor Children:		
1	MR. M. NASEEM SAIGOL (CDC)	217,813,429	25.4451
2	MR. MUHAMMAD MURAD SAIGOL	12,421	0.0015
3	MR. MUHAMMAD ZEID YOUSAF SAIGOL	31,445,987	3.6735
4	SYED MANZAR HASSAN	2,041	0.0002
5	MRS. SADAF KASHIF	500	0.0001
6	MR. ANJUM NISAR (CDC)	4,095,000	0.4784
7	MR. MUHAMMAD KAMRAN SALEEM (CDC)	860	0.0001
8	MR. SHAHID IQBAL CHAUDHARY (Nominee of NBP)	0	0.0000
9	MRS. SEHYR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	8,102,735	0.9466
		261,472,973	**30.5455**
	Executives:	-	-
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Institution, Insurance Companies, Modarabas and Pension Funds:	80,619,279	9.4180
	Shareholders holding five percent or more voting interest in the listed company		
1	MR. M. NASEEM SAIGOL (CDC)	217,813,429	25.4451
2	MRS. AMBER HAROON SAIGOL (CDC)	183,780,395	21.4694
3	MR. NADEEM NISAR (CDC)	71,142,351	8.3109
4	EVLI EMERGING FRONTIER FUND (CDC)	50,000,000	5.8410
5	PAK QATAR FAMILY TAKAFUL LIMITED (CDC)	55,781,140	6.5164
		578,517,315	**67.5828**

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary, Their spouses and minor children:

S. No.	NAME	SALE	PURCHASE
	NIL		

پیٹرن آف شیئر ہولڈنگ

31دسمبر2023

نمبر شمار	کیٹگری آف شیئر ہولڈرز	تعداد حصص داران	تعداد حصص	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	9	261,472,973	30.5455
2	ایسوسی ایٹڈ کمپنیز، انڈرٹیکنز اور متعلقہ پارٹی۔	1	1,044,468	0.1220
3	این آئی ٹی اور آئی سی پی	5	7,519,357	0.8784
4	بینک، ڈیویلپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشن	13	21,772,594	2.5435
5	انشورنس کمپنیز	9	56,593,658	6.6113
6	مداربہ اور میوچل فنڈز	20	12,173,762	1.4221
7	عام عوام	10,560	411,707,486	48.0960
8	دوسرے (مخصوص کیا جائے گا)			
	پینشن فنڈز	11	2,089,527	0.2441
	دوسری کمپنیز	14	931,709	0.1088
	انوسٹمنٹ کمپنیز	4	3,178,000	0.3713
	جوائنٹ سٹاک کمپنیز	127	26,039,991	3.0420
	غیر ملکی کمپنیز	26	51,488,630	6.0149
	کل تعداد	**10,799**	**856,012,155**	**100.0000**

	تعداد حصص
ایسوسی ایٹڈ کمپنیز، انڈرٹیکنز اور متعلقہ پارٹی۔	1,044,468
میوچل فنڈز	12,010,262
ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	261,472,973
ایگزیکٹوز	
پبلک سیکٹر کمپنیز اور کارپوریشنز	
بینک، ڈیویلپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز، انشورنس کمپنیز،مداربہ اور پنشن فنڈز	80,619,279
پانچ فیصد یا اس سے زیادہ کے حصص داران	578,517,315

لسٹڈ کمپنیز میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خریدوفروخت

نمبر شمار	نام	فروخت	خرید
		کوئی نہیں	

OTHER MATTERS

Capital Expenditure

The Company has a strong track record of growth, continually expanding its market share while maintaining high levels of customer satisfaction and brand equity. Significant investments have been made in manufacturing and testing facilities to ensure competitiveness in the market and uphold the brand's reputation. In response to increasing demand and to tap into export opportunities, the Company has expanded its plant capacity and developed compact, cutting-edge product designs.

The Company in line with its business strategy foreseeing increase in demand for its products invested Rs. 2,084 million in machinery and civil works. This reflects the Company's dedication to staying at the forefront of innovation and meeting the demands of a growing market.

Dividend and Appropriations

In view of the future strategic plans for 2024, requiring retention of profits, the Board of Directors did not propose any dividend for the year 2023.

Sustainability and Corporate Social Responsibility

At PEL we pride ourselves in aligning our business strategy to meet societal needs. We believe in giving something back to the society because we care. For us it's about more than just aligning our activities with our stakeholder's expectations whether it's our clients, suppliers, the community, our employees and society as a whole. Through a broad range of community initiatives, charitable giving, foundation grants and volunteerism, we seek to create more value for our society to continue to bring joy in people's lives. Details of PEL's sustainability and Corporate Social Responsibility policies and initiatives are presented in Section H of this report.

Corporate and Financial Reporting Framework

The Directors are pleased to state that:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for last six (6) years in summarized form is given on page E-18.
- In view of the future strategic plans for 2024, requiring retention of profits, the Board of Directors did not propose any dividend for the year 2023.
- There is nothing outstanding against the Company on account of taxes, duties, levies and charges except for those which are being made in normal course of business.
- The Company maintains Provident Fund accounts for its employees. The values of the investments of the fund as on 31 December 2023 are given on page A-35.

Board of Directors

The composition of the Board of Directors, and their profile and attendance at meetings are given in Section D of the report.

Review Of Related Party Transactions

Details of all related party transactions are placed before the Audit Committee and upon recommendations of the Audit Committee, the same are placed before the Board for review and approval in accordance with requirements of the Code of Corporate Governance.

Directors' Remuneration

Particulars of remuneration of Chief Executive and Directors are as follows:

	Rs. (millions)
Remuneration	44.02
House rent	2.42
Utilities	2.42
Post employment benefits	1.99
Meeting fee	0.29
Total	51.14

OTHER MATTERS

Risks and Opportunities Report

Risks and opportunities report of the Company, explaining Key Risks and Opportunities (internal and external) affecting availability, quality and affordability of Capitals, has been presented in Section C of this Report.

Accounting policies, judgements, estimates and assumptions

There were no changes in accounting policies, judgements, estimates and assumptions used in the preparation of financial statements. Further, there are certain amendments to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on 01 January 2023. However, there is no significant implications of such amendments on the annexed financial statements.

Internal Financial Controls

A system of sound internal control established and implemented at all levels of the Company of the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Trading in Shares by Directors and Executives

No trading was conducted during the year by directors, executives, their spouses and minor children in the shares of PEL.

Appointment of Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have completed the annual audit of PEL for the year ended 31 December 2023 and have issued an unmodified report. They will retire at the conclusion of the forthcoming AGM, and being eligible, have offered themselves for reappointment for the year ending 31 December 2024. The Board of Directors on the suggestion of the Audit Committee has recommended their re-appointment as auditors of the PEL for the year ending 31 December 2024 at a fee to be mutually agreed.

CEO's Video Presentation

CEO's video presentation on the Company's business performance for the year covering the Company business strategy to improve and future outlook has been placed on the Company's website.

Subsequent Events

There are no material events after the reporting period.

Future Outlook

A detail Forward Looking Statement is given on page F-01.

Acknowledgment

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.

M. Murad Saigol
Chief Executive Officer

M. Zeid Yousaf Saigol
Director

Lahore
04 April 2024

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معاشی امکانات اور سماجی بہبود کو بہتر بنانے کیلئے اور ملک کو ترقی کی شاہراہ پر ڈالنے کے لئے ایک مستحکم ایجنڈا تیار کرنے کی ضرورت ہے ۔

کمپنی کے مستقبل کے امکانات

افراط زر ، پالیسی کے شرح میں اضافہ، ڈالر کے مقابلے میں روپے کی قدر میں کمی کمپنی کو درپیش چیلنجز ہیں۔ ان حالات میں کمپنی کے آپریشن متاثر ہوئے ہیں اور مصنوعات کی قیمتوں میں بے تحاشہ اضافہ کرنا پڑا ہے ۔ تاہم IMF کے ساتھ کامیاب مذاکرات اور الیکشن 2024ء کے کامیاب انعقاد کے بعد معاشی بحالی کی توقع کی جارہی ہے جو کمپنی کو مجموعی معیشت میں بہتری کے ساتھ دوبارہ ترقی کی شاہراہ پر لا سکتی ہے ۔

تیزی سے بڑھتے ہوئے شہری آبادی میں اضافے اور بڑھتے ہوئے برقی آلات کے رحجان سے بجلی کی طلب میں اضافہ ناگزیر ہے ۔ بجلی کی کھپت میں اضافے کے باعث بجلی کے ترسیلی نظام کو بہتر کرنے کی اشد ضرورت ہے جو کہ حکومت کے لئے اولین

ترجیح ہے اس کے نتیجے میں پاور ڈویژن کی مصنوعات کی طلب میں خاطر خواہ اضافہ ہو گا۔

مذید برآں چین پاکستان اقتصادی راہداری (CPEC) کے تحت بننے والے Special Economic Zone (SEZs) میں ہونے والی پیش رفت سے بجلی کے آلات کی طلب میں اضافہ ہو گا متوقع معاشی بحالی کے ساتھ ہوم اپلا ئنسز ڈویژن کی مصنوعات سمیت گھریلو آلات کی مانگ میں اضافہ کی توقع کی جارہی ہے۔

کمپنی کے ٹھوس کاروباری بنیادی اصولوں کے باوجوداس وقت کمزور ہوتی ہوئی مقامی کرنسی ،افراط زر کے دباؤ اور بڑھتی ہوئی شرح سود کی وجہ سے مصنوعات کی پیداواری لاگت میں اضافہ کے باعث منافع کے مارجن کو برقرار رکھنا ایک چیلنج ہے ۔

متحدہ عرب امارات میں Wholly Owned Subsidiary کا قیام

کمپنی کے بورڈ آف ڈائریکٹر نے اپنے اجلاس منعقدہ 04اپریل 2024ء میں متحدہ عرب امارات میں ایک Wholly Owned Subsidiary کے قیام کی اُصولی منظوری دی ہے ۔ جس کا قیام وہاں کے تمام قواعد وضوابط کے مطابق ہو گا۔ یہ Wholly Owned Subsidiary بنیادی طور پر تجارتی لین دین، درآمدات، برآمدات کے ساتھ ساتھ ڈسٹری بیوشن اور Warehousing جیسی خدمات سر انجام دینے کی اہل ہو گی ۔

اظہار تشکر

ہم اپنے بورڈ آف ڈائریکٹر ز کی مستقل رہمنائی اور سر پرستی کے لئے ان کے شکر گزار ہیں ہم اپنے ٹیم ممبران کے بھی شگر گزار ہیں جن کی مخلصانہ کوششوں کے نتیجے میں اس مشکل وقت میں بھی کمپنی معاشی پائیداری کے راستے پر گامزن ہے

ہم پر اُمید ہیں کہ اپنی ٹیم کی مسلسل کوششوں سے اپنے تمام اسٹیک ہولڈرز جیسا کہ حصہ داران انویسٹرز اور صارفین کی توقعات پر پورا اُتریں گے۔

ایم مراد سہگل

چیف ایگیزیکٹوآفیسر

ایم زید یوسف سہگل

ڈائریکٹر

04اپریل2024ء

ہے تاہم سال25-2024ء کیلئے یہ تخمینے سال20-2019 کی تاریخی اوسط3.8فیصد سے کم ہیں جوکہ مرکزی بینک کی اعلیٰ پالیسی شرح سے متاثر ہیں جن کا مقصد افراط زر کا کنٹرول، بلند قرضوں کی صورت میں مالی امداد میں کمی اور بنیادی پیدواری سست روی ہے۔ خاص طور پر کئی ریجنز میں سپلائی لائن میں بہتری اور سخت مالیاتی پالیسوں کے باعث افراط زر میں تیزی سے کمی آئی ہے ۔2025ء کے آئوٹ لک کیلئے کی نیچے کی طرف نظر ثانی کے ساتھ عالمی افراط زر2024ء میں کم ہو کر5.8فیصد اور2025ء میں مزید کم ہو کر4.4فیصد رہنے کی پیشن گوئی کی گئی ہے ۔ کم ہوتی ہوئی افراط زر کی شرح اور مستحکم ترقی کے ساتھ شدید معاشی بد حالی کا امکان کم ہو گیا ہے اور عالمی ترقی کی شرح قدرے متوازن رہنے کی توقع ہے ایک مثبت پہلو یہ ہے کہ افراط زر میں تیزی سے کمی مالی حالات میں مزید بہتری کا باعث بن سکتی ہے ۔ تاہم ایک حد سے زیادہ نرم پالیسی جو کہ ضروری بھی ہے او رپیشن گوئیوں میں بتائی بھی گئی ہے۔سے عارضی طور پر نمو بہتر ہو سکتی ہے لیکن بعد میں اس سے مشکلات کا سامنا ہو سکتا ہے

۔ مزید برآں متوقع اصلاحات کو بہتر کرکے پیدواری صلا حیت کر بڑھایا جا سکتا ہے ۔ جس سے سرحدوں کے پار مثبت اثرات پیدا ہونگے ۔

دوسری طرف جغر افیائی سیاسی کشیدگیوں کی وجہ سے اجناس کی قیمتوں میں اضافہ ہو سکتا ہے ۔ جیسا کہ بحیرہ احمر میں جاری تنازعات کے ساتھ سپلائی میں خلل افراط زر میں اُتار چڑھائو سخت مالیاتی پالیسیوں کو طول دے سکتے ہیں ۔ مذید برآں چائنہ کے پراپرٹی سیکٹر میں بڑھتی ہوئی مشکلات میں اضافہ اور اخراجات میں کمی معاشی نمو کو متا ثر کر سکتے ہیں۔

وقتی طور پر پالیسی سازوں کو افراط زر کو کنٹرول کرتے ہوئے مطلوبہ ہدف پر لانے کا چیلنج درپیش ہے ۔ اس میں افراط زر کو دیکھتے ہوئے بہترما لیاتی پالیسی اور قیمتوں اور اجرت کا تناسب کا تعین کرنا شامل ہے۔اس کے ساتھ ہی گرتی ہوئی افراط ز ر کی شرح اور بہتر مالیاتی پالیسیوں کو دیکھتے ہو ئے مالیاتی استحکام پر ایک نئے سرے سے زرودیا گیا ہے ۔اس میں مستقبل میں آنے والی مشکلات کے پیش نظر بجٹ کے مطابق ذخائر کی تعمیر نو، نئی ترجیحات کے لئے آمدنی کا حصول اور عوامی قرضوں میں اضافے کو روکنا شامل ہے ۔

پیدواری نمو کو تقویت دینے، قرضوں کی پائیداری کو یقینی بنانے اور آمدنی کی سطح کو بہتر کرتے ہوئے ہد ف تک پہنچنے کے لیے مزید اقدامات کی ضرورت ہے مذید برآں خاص طور پر قرضوں کی بحالی اور وصولی اور سرمایہ کاری میں بہتری کے کثیر الجہتی کوتعاون کی ضرورت ہے یہ نقط نظر موسمیاتی تبدیلیوں کے اثرات کو موثر طریقے سے حل کرنے کے لئے بھی اہم ہے ۔

ملکی معاشی نقطہ نظر

مالی سال24-2023کی پہلی ششماہی میں متوازن معاشی بحالی ہوئی جس میں زرعی شعبہ سرفہرست ہے ۔ اسٹیٹ بینک آف پاکستان نے جاری مالی سال کیلئےGDP نمو کی شرح 2فیصد سے 3فیصد کے درمیان رہنے کا تخمینہ لگا یا ہے ۔ صنعتی شعبے میں بھی تیزی آنے کی اُمید ہے ۔ جس کا اندازہ گذشتہ 21ماہ کی بڑے پیمانے کی صنعتوں (LSM) کی پیداوار جواس نے دسمبر2023میں ریکارڈ کی ہیں سے ہوتا ہے اس کے پیچھے مینو فیکچر نگ سیکٹر کی صلا حیتوں کا بھر پور استعمال ہے

دوسری طرف دسمبر2023ء میں ایک قابل ذکر کرنٹ اکائونٹ سرپلس ریکارڈ کیا گیا ہے ۔ جو کہ24-2023 کی پہلی ششماہی کے دوران کرنٹ اکائونٹ خسارا میں 77فیصد کمی کی صورت میں نظر آیا ہے۔ اس کے ساتھ محصولات میں اضافہ ہوا ہے ۔ جس میں IMF کی طرف سے(SBA) Stand-BY-Arrangement کے تحت700ملین ڈالر کی قسط کا اجرا ہے۔ جس نے زرمبادلہ کے ذخائز کو بہتر کرنے میں بڑی مدد کی ہے اس طرح جنوری2024تک زرمبادلہ کے ذخائر 8,217بلین ڈالر کی سطح پر پہنچ گئے ہیں۔ تاہم ملک اس وقت بھاری قرضوں کے بوجھ تلے دبا ہے۔ سال2023ء میں پاکستان کا بیرونی قرضہ برائے نام GDP کا36.5 فیصد تھا ۔ جبکہ حکومتی قرضے ملا کرGDBکا89فیصد بنتا ہے جو آمدنی اور اخراجات کے عدم توازن کو اجاگر کرتا ہے ۔

سرکاری مالیاتی رقوم کی وصولی میں غیر متوقع تاخیر بحیرہ احمرکے علاقے میں بڑھتے ہوئے سیاسی تنائو کے ساتھ اجناس کی قیمتوں میں مسلسل اضافہ اور بیرونی امداد میں تاخیر کے باعث ملکی پوزیشن مذید ابتر ہونے کا خدشہ ہے ملک کو معاشی طور پر کئی مشکلات کا سامنا ہے ۔ جمہوری طریقے سے اقتدار کی منتقلی اور سیاسی استحکام کا حصول معاشی تبدیلی کے لئے فیصلہ کن حیثیت رکھتا ہے لہذا ساختی مسائل کو حل کرنے،

Industrial Power System Automationاور Satellite
Synchronization of Power System Controlکی ٹیکنکل سروسز شامل ہیں ۔

PELکمپنی عالمی مہارت کو مدنظر رکھتے ہوئے سوئچ گیئر کی مصنوعات میں بہتری کے لیے کوشاں رہتی ہے ۔ تاکہ معیاری مصنوعات کے ساتھ صارفین کی ضروریات کو پورا کیا جا سکے ۔ کوریا کی معروف ٹیسٹنگ لیبارٹری LS-Electric Korean سے(VCB) Vacum Circuit Brakerکی کامیاب ٹیسٹنگ کے بعد PELاب National Transmission and Despatch Company (NTDC)کی جدید NTDC کی Specification P-44:2018کے مطابق VCB کی منظوری کا سنگ میل عبور کرنے جا رہی ہے ۔

بجلی کی بڑھتی ہوئی کھپت سے آنے والے دنوں میں واپڈا کی بجلی کی تقسیم کار کمپنیوں اور نجی شعبے سے سوئچ گیئر کی طلب میں اضافہ متوقع ہے کمپنی جدید ترین مینو فیکچرنگ اور ٹیسٹنگ سہولیات کے ساتھ اپنا مارکیٹ شیئر حاصل کرنے کیلئے پرعزم ہے ۔

انرجی میٹرز

زیر جائزہ مدت کے دوران انرجی میٹر کے محصو لات میں گذشتہ سال کے مقابلے میں 71.34فیصد کا نمایاں اضافہ دیکھنے میں آیا ہے ۔اس نمو کا سہرا حکومتی اقدامات کے سر ہے ۔ جس کا مقصد بجلی کی میٹرنگ کے بنیادی ڈھانچے کی اپ گریڈیشن ہے جس سے پاور سیکٹر کے بڑھتے ہوئے گردشی قرضے پر قابو پایا جا سکے گا ۔

کمپنی کے تھری فیز ڈائریکٹ کو نیکٹڈ میٹرز کو National Transmission and Despatch Compnay (NTDC) سے منظوری مل گئی ہے مزید سنگل فیز الیکٹرک انرجی میٹرز اور LT/HTٹائپ ملٹی فنکشنDual Powerانرجی میٹرز جو کہ LV/HV سوئچ گیئر میں میڈیم اور ہائی وولٹیج ایپلی کیشنز کے لیے ڈائزین کئے گئے ہیں ابھی منظوری کے مراحل میں ہیں ۔

گردشی قرضے کے بڑھتے ہوئے مسائل کے حل کے لیے PEPCOبڑے شہروں میں AMR/AMIسسٹم متعارف کروانے کے لیے کوشاں ہے تاکہ اس کے محصولات میں شفافیت کے باعث اضافہ ہو۔ اس جدید ٹیکنالوجی سے لیس میٹرنگ سسٹم سے بجلی کی تقسیم کار کمپنیوں کو بجلی کی چوری پر قابو پانے کی صلاحیت حاصل ہو جائے گی ۔

مارکیٹ کی طلب کو پورا کرنے کیلئے کمپنی نے DLMSکی ہدایات کے عین مطابق تھری فیز ڈائریکٹلی کو نیکٹڈ GSM/GPRS موڈیول میٹرز DLMSسے منظور کروا لیے ہیں DLMS ایک بین الاقوامی تنظیم ہے جو کہ دنیا بھر میں Smart Meteringاور AMI سسٹم کو سر ٹیفکیٹ جاری کرتی ہے ۔ مزید برآں متبادل یا کلین انرجی آج کی آواز ہے جس سے ماحول کثافت سے محفوظ رہتا ہے ۔ PELکمپنی نے اس مقصد کے لیے PEPCO سے منظوری کے بعدNet Metering Unit متعارف کروایا ہے ۔ یہ یونٹ واپڈا کے مرکزی نظام کے ساتھ متبادل ذرائع سے توانائی کے بہائو کو ریکارڈ کرتا ہے ۔ تیزی سے بڑھتی ہوئی شہروں کی طرف ارتکا ز آبادی ، صنعتی بحالی اور ہائوسنگ کے شعبے میں ہونے والے اقدامات کے باعث انرجی میٹر کی طلب میں اضافہ متوقع ہے ۔

EPC کانٹریکٹنگ

PEL کا EPCڈیپارٹمنٹ Turnkey بنیادیوں پر انجیئرنگ ،پرو کیورمنٹ اور کنسٹرکشن کے معاہدوں پر کام کرنے کی مہارت رکھتا ہے ان منصوبوں میں الیکٹریکل نیٹ ورک اور بجلی کا ترسیل نظام اورKv 220 تک کے گرڈ اسٹیشن کی تنصیب شامل ہے۔

زیر جائزہ مالی سال کے دوران EPCکے محصولات میں نمایاں 96فیصد کی کمی ہوئی ہے ۔ یہ کمی EPCکے کاروبار میں بزنس پلان میں کمی کا نتیجہ ہے کمپنی نے اپنی کاروباری ترجیحات کو بدلتے ہوئے اس کاروبار کی بجائےProduct Manufacturing کے شعبہ میں سرمایہ کاری کرنے کو ترجیح دی ہے۔

ان چیلنجز کے باوجود EPCکے کاروبار میں مستقبل کے حوالے سے بڑی جان ہے CPECکے تحت بننے والے Special Economic Zone (SEZs) سے اس شعبہ میں بے پناہ نمو آئے گی آپ کی کمپنی مستقبل میں اس شعبے میں پیدا ہونے والے مواقع سے بھرپور فائدہ اُٹھانے کیلئے پر عزم ہے ۔

مستقبل کے امکانات

عالمی معاشی نقطہ نظر

عالمی معاشی نمو سال 2024ء میں 2.7 فیصد اور2025ء میں 3.0فیصد تک پہنچنے کی توقع ہے جو کہ ورلڈ اکنا مک آئوٹ لک (WEO) کی رپورٹ کے مطابق اکتوبر2023ء سے 0.2 فیصد اضافہ ہے ۔ اس اضافے کی وجہ امریکہ اور کئی بڑی ابھرتی ہوئی معیشتوں میں لچک کے ساتھ چائنہ سے مالی تعاون سے متوقع

قرار رکھنے کیلئے PELنے No Compromise پالیسی پر سختی سے عمل کرتے ہوئے اور کوالٹی Safety کے عالمی سر ٹیفکیٹ جیسا کہISO 9001, ISO 17001, ISO 17025 حاصل کیے ہیں اور ان پر عمل پیرا بھی رہی ہے۔اور ہمیں ڈسٹری بیو شن ٹرانسفارمر کے صارف کی حفاظت کے لحاظ سے CE Marking ہونے والاواحد پاکستانی ادارہ ہونے پر فخر ہے ۔

کمپنی اپنی آمدنی میں اضافہ کرنے کیلئے اور عالمی مارکیٹ میں اپنا شیئر حاصل کرنے کیلئے عالمی معیار کی مصنوعات بنانے اور اپنی برآمدات میں اضافے کیلئے کوشاں ہے ۔

موجودہ سال میں گذشتہ سال کے مقابلے میں ٹرانسفارمر کے محصولات میں 18.02 فیصد کی کمی ہوئی ہے ۔ موجودہ سال میں اس پراڈکٹ کے محصو لات 9,024 ملین روپے رہے ہیں ۔جو کہ پاور ڈویژن کے محصولات کا 34.68 فیصد اور کمپنی کے کل محصولات کا18.68فیصد بنتا ہے ۔ سیاسی عدم استحکام اور غیر یقینی کی صور تحال نے سرمایہ کاری کے فیصلوں کے بنیادی ڈھانچے کے منصوبوں اور معاشی سرگرمیوں کو متاثر کیا ہے جس کی وجہ سے ڈسٹری بیوشن ٹرانسفارمر کی طلب میں کمی آئی ہے اس کے نتیجے میں اس کے محصولات میں کمی واقع ہوئی ہے ۔

پاور ٹرانسفارمر

پاور ٹرانسفارمر کسی بھی الیکٹریکل نیٹ ورک کا اہم ستون ہوتا ہے ۔ جو بجلی کی تقسیم کار کمپنیوں کے بڑے صارفین کو بل ا تعطل بجلی کی فراہمی کو یقینی بناتا ہے ۔ ٹیکنالوجی لیڈ ر ہونے کے ناطے اپنی روایت کو براقرار رکھتے ہوئے کمپنی نے اس کی پروڈکشن لائن کا آغاز 2004ء میں کیا اور اب تک پاور ٹرانسفارمر بنانے والی واحد کمپنی ہے ۔جو کہ پاکستان میں۷ 132Kتک کے ٹرانسفارمر کی اپ گریڈیشن کے لیے آلات تیار کرتی ہے ۔ کمپنی نے پاور ٹرانسفارمر کی بڑھتی ہوئی طلب کو دیکھتے ہوئے 14کلو میٹر فیروز پور روڈ لاہور کے مقام پر اس کی پروڈکشن لائن کی تنصیب کی۔ PELنے یہ منصوبہ GANZ Hungryکے تکنیکی تعاون سے شروع کیا ۔جس کے پاس ہائی وولٹیج پاور ٹرانسفارمر کے ڈائزین اور مینوفیکچرنگ کا وسیع تجربہ ہے۔

زیر جائزہ سال میں پاور ٹرانسفارمر کے محصولات 7,123ملین روپے ہیں جو کہ گذشتہ سال سے 31.44 فیصد کم ہیں ۔یہ محصولات پاور ڈویژن کے محصولات کا 27.37فیصد اور کمپنی کے مجموعی محصولات کا 14.74 فیصد ہیں ۔

کمپنی پاور ٹرانسفارمر کی منیوفیکچرنگ کے دوران سخت کوالٹی کنٹرول پالیسی پر عمل پیرا رہتی ہے اور اس نے اپنی Testing Faculty کو جدید آلات سے مزین کیا ہوا ہے ۔ تاکہ اپنے معز زصارفین کو نقائص سے پاک ٹرانسفارمر کی فراہمی یقینی بنائی جا سکے ۔PEL اب تک واحد پاکستانی کمپنی ہے جس نے پاکستان میں 132KVA پاور ٹرانسفارمر کے 730یونٹس نصب کیے ہیں ۔

پاکستان نے اپنی بجلی کی پیدواری صلاحیت کو مطلوبہ سطح تک بڑھا دیا ہے اور اب اگلی ترجیح اس کی ترسیل اور تقسیم کے نظام کو بہتر کرنا ہے اور اس سے پاور ٹرانسفارمر کی طلب میں اضافہ ہو گا جو کہ گرڈ اسٹیشن کا لازمی جزو ہے ہم پر اُمید ہیں کہ آپ کی کمپنی اس سیکٹر میں ماہر ہونے کے ناطے واپڈا ڈسٹری بیوشن کمپنیوں سے اپنا بھر پور کاروباری حصہ حاصل کرے گی۔

انتخابی عمل کے مکمل ہونے کے بعد صنعتی شعبے میں بہتری کی توقع کی جارہی ہے اس کے ساتھ ساتھ تیزی سے آبادی کے شہروں کی طرف بڑھتے ہوئے رحجان کے باعث ہائوسنگ سیکٹر کی ترقی بھی پاور ٹرانسفارمر کی طلب میں اضافہ کرے گی۔

ہماری بنیادی توجہ مسلسل تحقیق اور ترقی پر رہے گی ۔ جس سے ہم مقامی سطح پر ضروریات کو پورا کرسکیں گے اورمزید پاکستان سے باہر نئی منڈیوں تک بھی رسائی حاصل کر سکیں گے ۔

سوئچ گیئر

کمپنی پاکستان میں سوئچ گیئر کی صنعت کے بانیوں میں سے ایک ہونے کے طو ر پر اپنا منفرد مقام رکھتی ہے جو 1958ء میں اپنے قیام کے بعد سے سوئچ گیئر کے کاروبار میں سرگرم عمل ہے۔

دوران سال سوئچ گیئر کے محصولات 5,941ملین روپے رہے ہیں جو کہ گذشتہ سال سے 20.62 فیصد کم ہیں کمپنی نے USAمیں واقع Schweitzer Engineering Laboratories (SEL) کے ساتھ تکینکی شراکت قائم کی ہے جس کے ذریعے مقامی پاور انڈسٹری اور Public Utilitiesکو جدید ٹیکنالوجی فراہم کی گئی ہے اس میں Substation Automation System (SAS) ،

سیاہ رنگ اور گرل فنکشن کے ساتھ ہے ۔ مزید ایک ماڈل "PMO Convention" 30 متعارف کروایا گیا ہے جوکہ بڑے سائز مین روسٹنگ ، بیکنگ اور کو کنگ کی سہولیات سے لیس ہے ۔

PELمائیکروویو اوون دونوں Manual اور Digital انٹرفیس کے ساتھ صارف کی ضروریات کے مطابق ڈائزین کیے گئے ہیں۔ کم قیمت ،کم جگہ گھیرنے اور بہتر کارکردگی کے باعث کمپنی کے مائیکروویو اوون کو مارکیٹ میں خوب پزیرائی ملی ہے ۔

معیار زندگی میں بہتری اور شہروں کی طرف انتقال آبادی کے باعث مائیکروویو اوون کی طلب میں اضافہ متوقع ہے ۔ معیاری مصنوعات کی فراہمی اور موثر حکمت عملی سے آپ کی کمپنی اپنا مارکیٹ شیئر حاصل کرنے کیلئے پر عزم ہے ۔

واٹر ڈسپنسر

واٹر ڈسپنسرکی طلب میں تیزی سے اضافہ طرز زندگی میں بہتری اور شہروں کی طرف آبادی کے بڑھتے رحجان کے باعث ہے ۔ کمپنی نے اس کاروبار میں مارکیٹ کی وسعت کے امکانات کے پیش نظر 2017ء میں واٹر ڈسپنسر کی پروڈکشن کا آغاز کیا۔ تاہم ابتدائی کامیابی کے بعد رواں سال میں واٹر ڈسپنسرکے محصولات میں 40.67فیصد کی نمایاں کمی ہوئی ہے۔ جس کی بنیادی وجہ موجودہ معاشی سست روی ہے ۔

ان مشکلات سے بے خوف کمپنی تحقیق اور ترقی کا عمل جاری رکھے ہوئے ہے جس کا مقصد صارفین کی بڑھتی ہوئی ترجیحات اور مارکیٹ کے تقاضو ں کے عین مطابق کم لاگت والی دیدہ زیب مصنوعات متعارف کروانا ہے ۔

LEDٹیلی ویژن

زیر جائزہ سال کے دوران معاشی سست روری کے باعث LEDٹیلی ویژن کے محصو لات میں نمایاں 57.51 فیصد کی کمی آئی ہے ۔ LED TVہوم اپلائنسز مارکیٹ کی ایک ابھرتی ہوئی پروڈکٹ ہے جو کہ صارفین کی بڑھتی ہوئی ترجحات اور تکنیکی ترقی کی عکاسی کرتی ہے ۔

انٹر نیٹ سروس کے استعمال میں اضافہ اور زیادہ بجلی استعمال کرنے والی مصنوعات کے باعث Smart LED TV ہوم اپلا ئنسز کا اہم حصہ بن گیا ہے ۔ مارکیٹ کی ضرورت اور ٹیکنالوجی کے مسلسل بدلتے ہوئے رحجا نات کو مد نظر رکھتے ہوئے PEL نے LED TV میں نئی ٹیکنالوجی متعارف کروائی ہے ۔ PELکی طرف سے متعارف کروائی گئی مصنوعات کی تفصیل درج ذیل ہے ۔

32 Non-Smart LED TVsانچ ،43انچ اور49انچ سائز میں

Smart Andriod Based LED TV سوشل میڈیا ایپلی کیشنز کے فنکشن کے ساتھ جیسے یو ٹیوب ، فیس بک اور Netflex 32انچ ،43انچ اور 49انچ کے سائز میں

LED TV بمعہSmart Mirroring Services کے ساتھ I Phone & Andiord Phone درج بالا خصو صیات کے بعد صارف اپنےNon Smart LED TVکو Smart LED TV میں‌تبدیل کرنے کا خواہاں ہے۔ LED TV کے کاروبار میں بڑی لچک موجود ہے ۔ شہروں کی طرف بڑھتا ہوا تکاز آبادی اور معیار زندگی میں بہتری کی وجہ سے LED TV کی طلب میں اضافہ یقینی ہے کمپنی مسلسل R & Dکے عمل کے ساتھ جدید خصو صیات سے لیس کم لاگت کی مصنوعات متعارف کروانے کیلئے کوشاں ہے بھرپور پیدواری صلاحیت ہونے کی بدولت کمپنی اپنا مارکیٹ شیئر حاصل کرنے کیلئے پر عزم ہے۔

واشنگ مشین

کمپنی نے مارکیٹ کی مستقل طلب کے پیش نظر واشنگ مشین کی پروڈکشن لائن کی تنصیب کا فیصلہ کیا جس نے جولائی 2019ء میں اپنی پروڈکشن شروع کی۔ کمپنی کی واشنگ مشین نے مارکیٹ میں متعارف ہونے کے ساتھ ہی شاندار پزیرائی حاصل کی ۔دوران سال اس کے محصولات میں7.11فیصد کی کمی ہوئی جس کی وجہ موجودہ معاشی سست روی اور درآمدات میں رکاوٹیں ہیں ۔

Product Penetration Gap معیار زندگی میں بہتری اور شہری علاقوں میں ارتکاز آبادی اس کی طلب میں اضافہ کی وجوہات ہیں اس کاروبار کے Business Fundamentals اپنی جگہ پر قائم ہیں اور ملکی معاشی بہتری کے ساتھ ہی اس کاروبار کی نمو میں اضافہ ہو گا۔

ڈسٹری بیو شن ٹرانسفارمر

حالیہ برسوں میں بڑھتے ہوئے سخت مقابلے کے رحجان میں کمپنی نے پاکستان میں ڈسٹری بیو شن ٹرانسفارمر کے مینو فیکچر میں اپنی نمایاں پوزیشن کو برقرار رکھا ہے اور یہ سب ایک عالمی معیار کی پروڈکشن اور Testing Facility کی بدولت ہے۔ جس کی تنصیب Pauwels Belgium کی تکنیکی شراکت سے سال 2009ء میں کی گئی تھی ۔اعلیٰ کوالٹی کے معیار کو بر

سائیڈ پینل کا استعمال کیا گیا ہے ۔ مضبوط اور معیاری پیکیجنگ متعارف کروائی گئی ہے اور مصنوعات کو دیدہ زیب بنانے کے لیے سائیڈ پر پرنٹنگ کی گئی ہے ۔

اس کے علاوہ کمپنی مصنوعات میں بہتری کے سا تھ ساتھ بھر پور اشتہاری مہم اور بہتر سیلز سرگرمیوں کی وجہ سے مارکیٹ میں اپنامقام بر قرار رکھے ہوئے ہے ۔ Product Penetration Gap کی وجہ سے مارکیٹ میں نمو کی توقع ہے اور PEL بانی ریفریجر یٹربنانے والی کمپنی ہونے کے ناطے ایک متحرک سیلز اور بعد از سیل نیٹ ورک رکھتے ہوئے اپنا مارکیٹ شیئر حاصل کرنے کیلئے پر عزم ہے ۔

تاہم چیلنجز بر قرار ہیں خاص طور پر مصنو عات کی لاگت میں اضافہ، عالمی مارکیٹ میں بڑھتی ہوئی اشیاء کی قیمتیں اور ملکی کرنسی کی قدر میں اتار چڑھائو سے مصنوعات کی قیمتوں پر دبائو آئے گا ۔ ان درپیش مسائل کے باوجود کمپنی اپنی مثبت حکمت علمی سے اپنے مارکیٹ شیئر میں اضافہ اور صارفین کے اعتماد کو حاصل کرتے ہوئے اپنی مسابقتی برتری کو بر قرار رکھے گی ۔

ائیر کنڈیشنر

ائیر کنڈیشنرریفر یجریٹرز کے بعد دوسری زیادہ محصولات حاصل کرنے والی پراڈکٹ ہے ۔ تاہم زیرہ جائزہ مدت کے دوارن اس کے محصولات میں 51.12فیصد کی نمایاں کمی ہوئی ہے اور اس نے ہوم اپلا ئنسز کے محصولات کا 20.84 فیصد اور کمپنی کے مجموعی محصولات کا9.62فیصد حاصل کیا ہے ۔

سال2023ء کمپنی نے صارفین کی طلب کو پورا کرنے کیلئے نئے ماڈلز متعارف کروا کر ائیر کنڈیشنرمارکیٹ میں کامیابی کا سفر جاری رکھا ۔ ایک اہم اضافہ Airy Series ہے ۔ جس میں صارفین کی مخصوص ترجیہات کو مدنظر رکھا گیا ہے ۔علاوہ ازیں نئے ’’K24الپائن ‘‘ ماڈل کے تعارف کے ساتھ فلور سٹینڈنگ ائیر کنڈیشنر رینج کو بڑھا دیا گیا ہے ۔ جو صارفین کے لئے مزید سہولیات فراہم کرے گا۔یہ اقدامات مصنوعات میں جدت اور صافین کے اعتماد کے اطمینان کے لیے PEL کے عزم کی عکاسی کرتے ہیں۔۲

مجموعی طور پر بہتر ہوتے ہوئے طرز زندگی کی وجہ سے ائیر کنڈیشنرکے کاروبار میں ترقی کی بہت گنجائش ہے تاہم موجودہ معاشی سست روی اس کی نمو پر اثر انداز ہو رہی ہے ۔ اس کے باوجود کمپنی ائیر کنڈیشنرکے کاروبار کے حوالے سے پر عزم ہے اور معاشی بحالی کے ساتھ ہی بہتری کی طرف گامزن ہو جائے گی ۔

کمپنی مستقبل میں بھی بجلی کی بچت اور دلکش ڈیزائنوں والی مصنوعات متعارف کروانے کے لیے پر عزم ہے ۔علاوہ ازیں کمپنی کا فعال سیلز اور آفٹر سیل سروس نیٹ ورک صارف کے اعتماد میں اضافہ کا باعث ہے ۔ معیاری مصنوعات اور بہترین کسٹمر سروس کے ساتھ یہ عزم مستقبل میں ائیر کنڈیشنرکی مارکیٹ میں کامیابی کا ضامن ہے ۔

ڈیپ فریزرز

ڈیپ فریزرز کے محصولات میں49.22فیصد کی نمایاں کمی موجودہ معاشی سست روی کے باعث ہے۔ تاہم ان درپیش مسائل کے باوجود عالمی ادارہ تحفظ ماحول کی ہدایات کے مطا بق O Zone Friendly Refrigrant کے استعمال کے باعث کمپنی کے تیار کردہ ڈیپ فریزرز قومی اوربین الاقوامی کمپنیوں کی اولین ترجیح ہیں۔کمپنی خصوصی طور پر آئس کریم اور مشروبات کمپنیوں کی ضروریات کو مدنظر رکھتے ہوئے اپنی مصنو عات ڈائزین کرتی ہے ۔ جو کہ کمپنی کی کارکردگی اور ماحول دوست ذمہ داری کے عزم کو ظاہر کرتی ہے ۔

مذید برآں آپ کی کمپنی تکنیکی مہارت کے حامل ہونے کے ناطے مارکیٹ میں موجود بڑے معروف کارپوریٹ کلائنٹس کے ساتھ مضبوط کاروباری تعلقات قائم کیے ہوئے ہے۔ جو کہ اپنے صارفین کی ضروریات کے مطابق حل فراہم کرنے میں ایک رہنما کے طور پر اپنی پوزیشن مستحکم رکھے ہوئے ہے ۔

مستقبل میں مثبت معاشی اشاریوں کے پیش نظر ڈیپ فریزر کی طلب میں اضافہ متوقع ہے اور آپ کی کمپنی اپنی کوالٹی مصنوعات اور فعال ملک گیر سیلز اور بعد از سیل سروس نیٹ ورک کے باعث اپنا مارکیٹ شیئر حاصل کرنے کے لیے پر عز م ہے ۔

مائیکروویو اوون

مالی سال کے دوارن مائیکروویو اوون کے محصولات میں 47.95فیصد کی کمی آئی ہے ۔ جس کی بنیادی وجہ معاشی سست روی ہے۔ تاہم اس کے باوجود کمپنی کے مائیکروویو اوون جد ید خصوصیات کے ساتھ اپنے صارفین کو بہترین اور معیاری کھانے پکانے کا تجربہ فراہم کرتے ہیں ۔

صارفین کی طلب کے پیش نظر کمپنی نے ایک نیا ڈیجیٹل ماڈل "PM026 CHEF" کے نام سے متعارف کروایا ہے ۔ جو چمکدار

مشکل سال میں زرمبادلہ کے ذخائر کو مستحکم کرنے کے لیے درآمدات کو کم کرنے کے لیے حکومتی سطح پر اقدامات اُٹھا ئے گئے۔ جس سے خام مال کی سپلائی چین کافی متاثر ہوئی ۔اس تنا ظر میں کمپنی نے اس سال کیلئے کم حجم کی منصوبہ بندی کی ۔اس کے علاوہ کرنسی کی قدر میں کمی اور افراط زر کے دبائو نے بھی مصنوعات کی لاگت کو مثاثر کیا تاہم کم حجم کے باوجود مصنوعات کی لاگت میں اضافے کے اثرات کو کم کرنے کیلئے کمپنی نے صارفین پر قیمتوں کا اضافی بوجھ ڈالتے ہوئے اپنے منافع کے مارجن کو بہتر کیا ۔ کمپنی نے اس سال گذشتہ سال کی نسبت کم محصولات کے باوجود 803ملین روپے کا منافع میں اضافہ ہوا۔ یہ اضافہ کمپنی کی مضبوط منصوبہ بندی کا منہ بولتا ثبوت ہے ۔

سیاسی عدم استحکام اور اقتدار کی منتقلی سے غیر یقینی کی صور تحال پیدا ہوئی ہے جس سے کاروباری سرگرمیاں متاثر ہو رہی ہیں۔ سیاسی کشیدگی کے ماحول میں معاشی سرگرمیاں جیسا کہ سرمایہ کاری اور سپلائی چین متا ثر ہوئی ہے ۔ عدم استحکام سے صارفین عدم اعتماد کا شکار ہوئے ہیں۔ جس کے باعث اخراجات کے معاملے میں محتاط رویہ اپنایا گیا ہے ۔ افراط زر میں اضافہ ،قابل خرچ آمدنی میں کمی ،سیاسی کشیدگی اور جنرل الیکشن جیسے معاملات کے باعث کمپنی کے محصولات پر کافی اثر پڑا ہے ۔

پاور ڈویژن کے محصو لات گذشتہ سال کے 31,814 ملین روپے سے 18.20فیصد کم ہو کر 26,024ملین روپے پر آگئے ہیں۔ تاہم تیزی سے شہروں کی طرف اتکاز آبادی اور طرز زندگی میں بہتری کے باعث بجلی کی کھپت میں اضافہ ہو رہا ہے ۔ بجلی کی بڑھتی ہوئی طلب کو پورا کرنے کیلئے حکومت بجلی کے T&Dانفراسٹرکچر کو فعال کرنے کیلئے کوشاں ہے ۔ جس سے برقی آلات کی طلب میں خاطر خواہ اضافہ متو قع ہے ۔ مزید ہائوسنگ اور صنعتی شعبے میں بہتری کے رحجان سے برقی آلات کی طلب میں اضافہ متو قع ہے جوکہ واپڈا DISCOs کے علاوہ ہے ۔

ہوم اپلائنسز ڈویژن کے محصولات 22,299 ملین روپے رہے ہیں جوکہ گذشتہ سال کے 34,214 ملین روپے سے 34.82فیصد کم ہیں۔ اس کمی کی بڑی وجہ دوران سال خام مال کی درآمد پر لگنے والی پابندیاں ہیں ۔ مذ ید برآں اس کی وجہ معاشی سست روی ،قابل خرچ آمدنی میں کمی، افراط زر کے بڑھتے رحجانات روپے کی قدر میں کمی اور بڑھتی ہوئی شرح سود کے باعث مصنوعات کی لاگت میں اضافہ ہے ۔

کمپنی کے دوسرے اہم معاملات

بہترین کارپوریٹ ایوارڈ

دوران سال ایک اور سنگ میل عبور کرتے ہوئے کمپنی نے اپنی سالانہ رپورٹ 2022ء پر بہترین کارپوریٹ رپورٹ ایوارڈ حاصل کیا ہے ۔ Institue of Chartered (ICAP) Accountants of Paksitan اور (ICMAP) Institute of Cost and Management Accountants of Pakistan کی مشترکہ کمیٹی کی طرف سے منعقد ہونے والی پر وقار تقریب میں Engineering & Auto Sector میں پہلی پوزیشن سے نواز ا گیا اس کامیابی پر ہمیں خوشی اور فخر ہے اور یہ ہماری کمپنی کے ساتھ غیر متزلزل لگن کا ثبوت ہے اس اعزاز نے نہ صرف کمپنی کی کاوشوں کو سراہا بلکہ یہ کارپوریٹ گورننس اور احتساب کے لیے اس کی قیادت کی کوششوں کا بھی اعتراف ہے ۔

کریڈ ٹ ریٹنگ

4جولائی 2023ء کو دی پاکستان کریڈ ٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کو طویل مدت پر A+ (High Credit Quality) اور قالیل مدت پر A1 (A Strong Capacity for Timely Repayment) بمعہ Stable Outlook رینک کیا ہے ۔

مصنو عات کے لحاظ سے کارکردگی کا جائزہ

ریفریجریٹر

ریفریجریٹر نے کمپنی کی پریمیم پراڈکٹ ہونے کے ناطے سال کے دوران ہوم اپلائنسز ڈویژن کے محصولات کا 60.18فیصد اور کمپنی کے کل محصولات کا 27.77فیصد محصولات ریکارڈ کئے ہیں ۔ تاہم اس کے محصولات میں گذشتہ سال کی نسبت 23.99فیصد کی کمی آئی ہے جس کی بڑی وجہ جیسا کہ پہلے ذکر کیا جا چکا ہے ۔خام مال کی دستیابی میں رکاوٹیں ہیں ۔

مصنو عات کی مسلسل بہتری کے عزم کو ملحوظ خاطر رکھتے ہوئے اس سال کمپنی نے مصنو عات کی بیڈ روم کیٹیگر ی میں کمرے کی سجاوٹ سے ہم آہنگ بجلی کی بچت والے دیدہ زیب گلاس ڈورریفریجریٹر متعارف کروایا ہے ۔ اس طرح پہلے سے موجود ماڈلز میں جد ت کی روایت کو بر قرار رکھتے ہوئے PCM

ڈائریکٹرز کا جائزہ

کی بنیا دپر5.4فیصد زیادہ ہیں جس کی وجہ ایکسچینج کمپنیوں سے متعلق حکومتی اصلاحات اور اس کے نتیجے مین انٹر بینک اور اوپن مارکیٹ مین زرمبادلہ کی شرح کا ہم آہنگ ہونا ہے۔

زرمبادلہ کے ذخائر

پاکستان کے کل زرمبادلہ کے ذخائر 29 جنوری 2024ء کو بڑھ کر 13.2بلین امریکی ڈالر ہو گئے جس میں اسٹیٹ بینک کے 8.2بلین ڈالر اور کمرشل بینکوں کے ذخائر5بلین ڈالر شامل ہیں ۔

سٹاک ایکسچینج کی کارکردگی

دسمبر2023ء میں سٹاک مارکیٹ کی کارکردگی مثبت رہی ۔ بنچ مارک KSE100 انڈیکس 29دسمبر2023ء تک 62,451پوا ئنٹس پر بند ہوئی اور مہینے میں 1,924پوائنٹس کا اضافہ ہوا۔ اس طرح مارکیٹ Capitalizaion میں 334بلین روپے کا اضافہ ہوا جو کہ 3.8فیصد بنتا ہے اور دسمبر2023کے اختتام پر 9,063بلین پر ختم ہوا ۔ دسمبر کے دوارن عالمی سٹاک مارکیٹس کے کاروبار میں ملا جلا رحجان رہا۔ انڈیا کی Sensex 30 میں 7.8فیصد کا اضافہ ہوا اسی طرح امریکہ کی S&P 500 میں 4.4فیصد KSE 100 اور فرانس کی CAC40 میں 3.2فیصد کا اضافہ ہوا اور اس کے برعکس چائنہ کی

SSE Composite میں 1.8فیصد کی کمی ہوئی ۔

سماجی شعبہ

بے نظیر انکم سپورٹ پروگرام (BISP) کے تحت اکتوبر سے دسمبر 2023 ء والی سہ ماہی میں تقریباً 9ملین حقدار خاندانوں کو 8500روپے فی خاندان ادا کیا گیا۔ Pakistan Poverty Elevation Fund (PPAF) نے اپنی 24پار ٹنرتنظیموں کے ذریعے 1.48بلین روپے کے 33,136 بلا سود قرضے جاری کیے ہیں ۔بلاسود قرضوں کی مد میں اب تک مجموعی طور پر2,595,982 سود سے پاک قرضے جن کی مالیت 98.10بلین بنتی ہے بطور قرض دیے گئے ہیں ۔

پاکستان خطے میں مزدور برآمد کرنے والے بڑے ممالک میں سے ایک ہے ۔ سال 2023ء کے دوران بیورو آف ایمگریشن اینڈ اور سسیز ایمپلائمنٹ کے تحت مختلف ممالک میں ملازمت کے لیے 859,846 لوگ رجسٹر ہوئے ہیں جن میں 57,360 لوگ صرف دسمبر2023ء میں رجسٹرڈ ہوئے ہیں ۔ وزیر اعظم یوتھ بزنس اینڈ ایگر یکلچر قرض سکیم کے تحت نومبر 2023ء تک 57,669 ملین روپے 90,625 لوگوں کو کاروبار کے لئے بطور قرض دیے گئے ہیں ۔

صنعتی جائزہ

سال 2024کی پہلی ششماہی جولائی تا دسمبر کے دوران بڑے پیمانے کی صنعتوں کی نمو میں گذشتہ سال اسی عرصہ کے مقابلے میں معمولی 0.39فیصد کی کمی آئی ہے اسٹیٹ بینک آف پاکستان کی طرف سے افراط زر پر قابو پانے کیلئے کئے گئے ا قدامات اور بیرونی معاشی مشکلات کے باعث پیداوار میں کمی ہوئی ہے ۔ دوران سال سپلائی چین میں رکاوٹ بڑھتی ہوئی پیداواری لاگت اور کم قابل خرچ آمدنی کے باعث صنعتی پیداورمتاثر ہوئی ہے ۔ ان مشکلات کے باوجود بجلی کے ترسیلی نظام کو بہتر کرنے کے حکومتی اقدامات کے باعث برقی آلات کی طلب میں اضافہ ہو رہاہے ۔

پاکستان کے ادارہ برائے شماریات کے مطابق سال 2023ء میں سال بہ سال پیداوار میں کمی واقع ہوئی ہے ۔ جیسا کہ ریفریجر یٹر میں 17.6فیصد، ایئرکنڈیشنر45.61 فیصد، LED TV، 31.91 فیصد اور ڈیپ فریزر کی پیداوار میں 25.79 کی کمی واقع ہوئی ہے ۔سال2023ء میں پاور ڈویژن کی مصنوعات ٹرانسفارمر، انرجی میٹرز اور سوئچ گیئر ز کی پیدوار میں بلترتیب 41.76فیصد ،8.69فیصد اور 24.36 فیصد کی کمی واقع ہوئی ہے ۔

کمپنی کاکاروباری جائزہ

کمپنی کے کاروباری نتائج کا خلاصہ درج ذیل ہے ۔

ملین روپے

	2023	2022
خام فروخت	48,324	66,028
کل منافع	11,104	10,301
آپریٹنگ منافع	6,952	5,439
مالیاتی لاگت	3,649	3,090
قبل ازٹیکس منافع	3,304	2,348
بعد از ٹیکس منافع	1,325	1,067
فی حصص منافع - روپے	1.50	1.33

کمپنی کے محصولات 66.02 بلین روپے سے کم ہو کر48.32 بلین روپے رہنے کی بنیا دی وجہ دوران سال اسٹیٹ بینک آف پاکستا ن کی درآمدات پر لگائی جانے والی پابندیاں ہیں ۔ اس

محصولات گذشتہ سال اسی عرصے سے 30فیصد اضافے کے ساتھ 4,469.2 بلین روپے رہے ہیں ۔غیر ٹیکس وصولیوں میں نمایاں اضافہ بنیادی طور پر مارک اپ اسٹیٹ بینک کے منافع اور پیٹرولیم لیوی سے منسوب ہے۔

سال2024 ء جولائی تا دسمبر کل اخراجات 9,261.8بلین روپے رہے ۔ جو کہ گذشتہ سال اسی عرصہ کے مقابلے کے 6,382.4 بلین روپے کے مقابلے میں 45فیصد زیادہ ہیں ۔ موجودہ اخراجات میں 41فیصد کا اضافہ ہوا جس کی وجہ سے موجودہ مالی سال کے گذشتہ چھ ماہ کے دوارن مارک اپ کی ادائیگیوں میں 64فیصد کا اضافہ ہے ۔

مالی شعبہ

سال2024ء یکم جولائی تا 29دسمبر مالی ذخائر 4.4فیصد اضافے کے ساتھ 1,386.6 بلین روپے رہے ۔ جو کہ گذشتہ سال 0.9 فیصد نمو کے ساتھ 246.8 بلین روپے تھے ۔ خالص غیر ملکی اثا ثہ جات (NFA) میں 569بلین روپے کا اضافہ ہوا ۔ جو کہ گذشتہ سال کے 1,155.4 بلین روپے کی کمی کے مقابلے میں ہیں ۔دریں اثناء بینکنگ سیکٹر کے نیٹ ڈومیسٹک اثاثوں (NDA) میں 817.6بلین روپے کا اضافہ ہوا ۔ جس کے مقابلے میں گذشتہ سال 1,402.2بلین روپے کا اضافہ ہوا تھا۔ پرائیو یٹ سیکٹر کا قرضہ 373.5بلین روپے رہا جوکہ گذشتہ سال کے 581.2 بلین روپے سے کم ہے ۔

غیر ملکی مالی معاملات

سال 2024ء جولائی تا دسمبر کرنٹ اکاؤنٹ خسارا 831ملین ڈالر رہا۔ جو کہ گذشتہ سال اسی عرصہ میں 3.6بلین ڈالر تھا ۔ جو تجارتی توازن میں بہتری کی نشاندہی کرتا ہے ۔ برآمدات 7.5 فیصد اضافے کے ساتھ 15.3 بلین امریکی ڈالر پر پہنچ گئیں ۔ جبکہ درآمدات 14.7 فیصد کمی کے ساتھ 25.2بلین ڈالر رہیں ۔ جس کے نتیجہ میں تجارتی خسارا گذشتہ سال کے 15.4بلین ڈالر سے کم ہوکر 9.9بلین ڈالر رہ گیا ہے ۔

اسی عرصہ میں خدمات میں برآمدات 2.7 فیصد کمی کے ساتھ 3,766ملین ڈالر رہیں جبکہ خدمات میں درآمدات 25.5 فیصد اضا فے کے ساتھ 5,196ملین ڈالر رہیں ۔ خدمات کا تجارتی خسارا 1,430 ملین ڈالر رہا جو کہ گذشتہ سال 270ملین ڈالر تھا۔

مثبت نمو دکھانے والی برآمدی اجناس میں چاول (48.4فیصد مقدار اور قدر 76.5فیصد) ،پھل (مقدار 37.6 فیصد اور قدر 9.3فیصد)، سوتی دھاگہ (مقدار 81.6 فیصد اور قدر 54.2 فیصد)، تولیہ (مقدار 13.4 فیصد اور قدر 1.7فیصد) ،ٹائراور ٹیوب (مقدار 6.1فیصد اور قدر 33.9فیصد) اور پلاسٹک کا سامان (مقدار 122.2 فیصد اور قدر 46.6فیصد) شامل ہیں ۔نمایاں درآمدی اشیاء میں پیٹرولیم مصنوعات 3,193.8ملین ڈالر، پیٹرولیم خام تیل 2,611.2ملین ڈالر۔ لیکو یڈ نیچرل گیس(LNG) 1,852.9 ملین ڈالر ،پام آئل 1,388.1 ملین ڈالر، پلاسٹک کا سامان 1,163.2 ملین ڈالر، لوہا اورا سٹیل 990.6 ملین ڈالر اور ادویات 534.1ملین ڈالر شامل ہیں ۔

غیر ملکی سرمایہ کاری

سال 2024 ء جولائی تا دسمبر کل غیر ملکی سرمایہ کاری میں 933.7ملین ڈالر کا اضافہ ہوا۔ جبکہ اس کے مقابلے گذشتہ سال اسی عرصہ میں 383.3ملین ڈالر کی کمی ہوئی تھی۔جو کہ براہ راست غیر ملکی سرمایہ کاری 862.6ملین ڈالر رہی ۔ گذشتہ سال کے 640ملین ڈالر کے مقابلے میں 34.8 فیصد زیادہ ہے ۔ چائنہ سے 292.8 ملین ڈالر (33.9 فیصد شیئر) ،ہانگ کانگ 191.0ملین ڈالر (22.10 فیصد)، UK 121.6ملین ڈالر (14.1فیصد)، نیدر لینڈ 69.4 ملین ڈالر (8فیصد) اور سو یزر لینڈ 25.3 ملین ڈالر (2.9فیصد) کی سرمایہ کاری شامل ہے ۔سب سے زیادہ سرمایہ کاری 433.5 ملین ڈالر پاور سیکٹر میں کی گئی جو کہ کل سرمایہ کاری کا 50.3فیصد بنتا ہے ۔ اس کے بعد تیل اور گیس کی تلاش کے لیے 129.8ملین ڈالر (15فیصد) اور مالیاتی کاروبار کے 91.1ملین ڈالر (10.6فیصد) کی سرمایہ کاری شامل ہے۔ غیر ملکی پرائیویٹ پورٹ فولیومیں اس عرصہ میں 70.8ملین ڈالر کی سرمایہ کاری ریکارڈ کی گئی جبکہ غیر ملکی پبلک پورٹ فولیو میں 2.ملین ڈالر کی سرمایہ کاری ہوئی ۔ مجموعی طور پر غیر ملکی پورٹ فولیو سر مایہ کاری (FPI) 71ملین ڈالر ریکارڈ ہو ئی جس کے بر عکس گذشتہ سال 1,033.3 ملین ڈالر کی کمی ہوئی تھی ۔

غیر ملکی تر سیلات

سال 2024ء جولائی تا دسمبر میں غیر ملکی ترسیلات گذشتہ سال کی 14.4بلین ڈالر کے مقابلے میں 13.4بلین ڈالر ریکارڈ کی گئیں جس میں 6.8فیصد کی کمی واقع ہوئی۔ دسمبر2022 ء کے 2.1بلین ڈالر کے مقابلے دسمبر2023ء میں 2.4بلین ڈالر ترسیلات زر کا اضافہ ہوا جو کہ 13.4 فیصد زیادہ ہے ۔ جبکہ نومبر2023، کے 2.3بلین ڈالر کے مقابلے دسمبر2023میں 2.4بلین ڈالر کی ترسیلات ریکارڈ کی گئیں جوکہ ماہ بہ ماہ

ڈائریکٹرز کا جائزہ

معاشی جائزہ

زراعت

2023-24کے ربیع سیزن کے لیے گندم کی کاشت 8,998ملین ہیکٹر کے تخمینہ شدہ رقبے کے مقابلے میں 1.8فیصد کے اضافے کے 9,160ملین ہیکٹر رقبے پر کی گئی ہے جس سے 32.12ملین ٹن کا پیداواری ہدف حاصل ہونے کی توقع ہے ملک میں موسمی حالات ساز گار ہیں۔ جو کہ مو سم ربیع کی فصل کی پیداوار میں متوقع اضافے کی نشاندہی کرتے ہیں ۔

زرعی پیداوار کو بڑھانے کیلئے حکومتی اقدامات قابل ستائش ہیں۔ جن کے باعث اجناس کی پیداوار بہتر ہوئی ۔ان اقدامات میں اچھے بیج ، زرعی قرضے ، زرعی مشینری اور کھادوں کی دستیابی کو یقینی بنانا شامل ہیں ۔سال 2023-24ء کے جولائی سے دسمبر کے دوران گذشتہ سال اسی عرصہ کے مقابلے میں ٹریکٹر کی پیداوار اور فروخت بلترتیب 67.5 فیصد اضافے کے ساتھ 23,610اور103.3فیصد اضافے کے ساتھ 23,411رہی ہے ۔ اسی عرصہ کے دوارن 1,105.8بلین روپے کا زرعی قرض فراہم کیا گیا جوکہ گذشتہ سال کے مقابلے میں 31.3فیصد زیادہ ہے

صنعت کاری

بڑے پیمانے کی صنعتوں کی پیداوار میں سال 2024ئکے نومبر اور دسمبر میں 0.8 فیصد کی کمی نظر آئی جبکہ گذشتہ سال اسی عرصہ میں 2.3فیصد کی کمی واقع ہوئی تھی ۔نومبر 2023 میں بڑے پیمانے کی صنعتوں (LSM) کی پیداوار میں 1.6فیصد کا اضافہ ہوا ۔جو کہ گذشتہ سال اسی مہینے میں 4.9فیصد کی کمی کے برعکس ہے۔

جولائی تا دسمبر مالی سال 2024میں آٹو انڈسٹری کی کارکردگی کافی سست رہی جس کی وجہ خام مال کی قیمتوں میں اضافہ اور قرضے کی سخت شرائط تھیں ۔ کاروں کی پیدا وار اور فروخت میں بلترتیب 56.9فیصد اور 55.5 فیصد کی کمی ہوئی ۔ ٹرک اور بسوں کی پیداوار اور فروخت میں بلترتیب 56.9فیصد اور 49.6 فیصد کی کمی واقع ہوئی ۔ تاہم ٹریکٹر کی پیداوار اور فروخت میں بلترتیب 67.5 فیصد اور 103.3فیصد کا اضافہ ہوا۔

سال 2024ء جو لائی تا دسمبر پیٹرولیم مصنوعات کی فروخت 15فیصد کمی کے ساتھ 7.68ملین ٹن رہی ۔ جوکہ گذشتہ سال اسی عرصہ میں 9.03ملین ٹن تھی ۔

دسمبر 2023 ء میں تیل کی فروخت 1.24ملین ٹن ریکارڈ کی گئی جو کہ سال بہ سال 7فیصد کم ہے ۔

دسمبر 2023ء میں سیمنٹ کی ترسیل میں4.63فیصد کا اضافہ دیکھا گیا سال 2024ء جولائی تا دسمبر کے دوران سیمنٹ کی کل فروخت (ملکی اور غیر ملکی)23.876ملین ٹن رہی۔ جو کہ گذشتہ سال اسی عرصہ کے 21.764 ملین ٹن کے مقابلے میں 9.7فیصد زیادہ ہے۔ اس عرصہ میں ملکی ترسیل 20.223 ملین ٹن رہی جو کہ 0.97فیصد کا معمولی اضافہ ہے جبکہ غیر ملکی ترسیل 110.66فیصد اضافے کے ساتھ 3.653ملین ٹن رہی ۔

افراط زر

دسمبر 2023ء میں سال بہ سال کی بنیاد پر مہنگائی کی شرح 29.7فیصد ریکارڈ کی گئی جو کہ دسمبر 2022ء میں 24.5فیصد تھی ۔سال 2024ء جولائی تا دسمبر مہنگائی کی شرح 28.8فیصد رہی جوکہ گذشتہ سال اسی عرصہ میں25فیصد سے زیادہ تھی ۔ ماہ بہ ماہ کی بنیاد پر گذشتہ مہینے کے 2.7فیصد کے مقابلے میں 0.8فیصد کا اضافہ ہے ۔25جنوری 2024ء کو ختم ہونے والے ہفتے میں مہنگائی کی شرح میں گذشتہ ہفتے کے مقابلے میں 0.14فیصد کمی آئی ہے۔13اشیاء کی قیمتوں میں کمی،23 اشیاء کی قیمتوں میں استحکام اور 15 اشیاء کی قیمتوں میں اضافہ ہوا ہے ۔

مالیاتی جائزہ

سال 2024ء جولائی تا دسمبر میں مجموعی مالیاتی خسارا 2,407.8 بلین روپے جوکہ GDP کا 2.3فیصد تھا رہا ۔ جوکہ گذشتہ سال اسی عرصہ میں 1,683.5 بلین روپے GDP کا2 فیصد تھا۔ تاہم سودی قرضوں کی نسبت بلا سود قرضوں کی ترجیح کی وجہ سے بنیادی ذخائر میں مسلسل بہتری آ رہی ہے ۔ سال 2024ء جولائی تا دسمبر کے دوران بنیادی ذخائر 1,812.2بلین روپے تک پہنچ گئے۔ جو کہ GDPکا1.7فیصد ہیں ۔جبکہ گذشتہ سال اسی عرصے میں 889.6بلین روپے رہے۔ جو کہ GDPکا1.1فیصد تھے ۔

سال2024ء جولائی تا دسمبر کے دوران ٹیکس کے محصولات 46فیصد اضافے کے ساتھ 6,854 بلین روپے رہے ۔ جوکہ گذشتہ سال اسی عرصہ میں 4,698.9 بلین روپے تھے ۔یہ نمایاں بہتری غیر ٹیکس وصولیوں میں 109فیصد کے خاطر خواہ اضافے کی وجہ سے ہوئی جو کہ 2,019.7بلین روپے تک پہنچ گئی ہیں اور سال 2024ء جولائی تا دسمبر میں فیڈرل بورڈ آف ریونیو کے

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FORWARD LOOKING STATEMENT

Global Economic Outlook

Global economic growth is anticipated to reach 2.7% in 2024 and 3.0% in 2025, marking a 0.2% increase from October 2023 as reported by World Economic Outlook (WEO). This uptick is attributed to the stronger-than-anticipated resilience shown by the United States and several major emerging market economies, coupled with fiscal support in China. However, these projections for 2024–25 fall below the historical average of 3.8% (2000–19), influenced by higher central bank policy rates aimed at tackling inflation, reduced fiscal support amidst high debt levels and sluggish underlying productivity growth. Notably, inflation rates are declining faster than predicted across most regions due to resolving supply-side issues and tighter monetary policies. Global headline inflation is forecasted to decrease to 5.8 percent in 2024 and further to 4.4 percent in 2025, with a downward revision for the 2025 outlook.

With decreasing inflation and stable growth, the possibility of a severe economic downturn has diminished and the risks to global growth are relatively balanced. On a positive note, a quicker decline in inflation could lead to further relaxation of financial conditions. However, an overly loose fiscal policy, beyond what is necessary and assumed in the forecasts, could result in temporarily higher growth but may lead to a more challenging adjustment later. Moreover, a stronger focus on structural reforms could enhance productivity and create positive effects across borders.

On the downside, potential spikes in commodity prices due to geopolitical disturbances, such as ongoing conflicts in the Red Sea, along with supply disruptions or sustained underlying inflation, could prolong tight monetary policies. Additionally, escalating challenges in China's property sector or unforeseen shifts towards tax increases and expenditure cuts elsewhere could lead to setbacks in growth.

In the near term, policymakers face the challenge of effectively managing the gradual decline of inflation towards the target level. This involves adjusting monetary policy in response to underlying inflation trends and, where evident, easing the restrictive stance as wage and price pressures diminish. Simultaneously, given the decreasing inflation rates and improved economic resilience to fiscal tightening, there's a renewed emphasis on fiscal consolidation. This includes rebuilding budgetary reserves to prepare for future shocks, generating revenue for new spending priorities and curbing the escalation of public debt.

Implementing targeted and well-sequenced structural reforms is crucial to bolster productivity growth, ensure debt sustainability and expedite progress towards higher income levels. Additionally, enhanced multilateral coordination is necessary, especially for debt resolution, to prevent debt distress and create room for essential investments. This coordinated approach is also vital in addressing the impacts of climate change effectively.

Country Economic Outlook

On the back of moderate economic recovery posted in the first half of FY 23-24, primarily led by the agriculture sector, SBP is projecting Pakistan's real GDP growth for the ongoing fiscal year to remain range bound between 2% to 3%. The momentum in industrial sector is expected to pick up; as reaffirmed from the 21-month high large-scale manufacturing (LSM) output recorded in December 2023, on the back of rising capacity utilizations in the manufacturing sector and improving business sentiment. On the external front, a notable current account surplus recorded in December 2023 (reducing the current account deficit in the first half of FY 23-24 by 77% on a year on year basis) together with significant financial inflows, including the latest USD 700 million tranche release under IMF's Stand-By Arrangement (SBA), has provided much needed support to the dwindling foreign exchange reserves; improving their level to USD 8.217 billion by January 2024. However, the country continues to grapple with substantial sovereign debt and an unsustainable debt-servicing burden; external debt accounted for 36.5% of the Pakistan's nominal GDP in 2023 while the government debt-to-GDP ratio reached 89%, underscoring the challenges of managing fiscal responsibilities and foreign inflows.

Any unforeseen delays in the realization of official financial inflows, sustained rally in global commodity prices amidst escalated geopolitical tensions in the Red Sea region and failure in materialization of FDI inflows shall keep external position and currency parity in check. The country's economic trajectory remains engulfed in a multitude of challenges. Achieving political stability through a smooth transition in the democratic power remains a key determinant to economic turnaround; hence, further emphasizing the need for developing a unified national agenda to target reforms in addressing structural issues and stimulating growth for improving economic prospects and social welfare.

Company Future Outlook

Inflation, increased policy rates, dollar rupee parity are major challenges the company is facing. These conditions have put pressure on the company's operations and lead to exorbitant price increases. However, with the successful conclusion of the IMF's review and completion of national elections 2024, a gradual economic revival is anticipated, which could provide opportunities for the Company to regain momentum as the overall economy improves.

The increasing demand for electricity, driven by rapid urbanization and the rising usage of electrical home appliances, is inevitable. This surge in electricity consumption necessitates the augmentation of transmission and distribution infrastructure, a priority area for the government. As a result, there will be a substantial growth in demand for Power Division products.

Furthermore, advancements in China-Pakistan Economic Corridor (CPEC) focused Special Economic Zones (SEZs) will generate additional demand for electrical equipment.

With signs of economic recovery on the horizon, the demand for electrical home appliances, including products from the Home Appliances Division, is expected to rebound.

Despite the Company's solid business fundamentals, the escalating cost of operations due to a weakened local currency, inflationary pressures and rising policy rates presents challenges to cater for maintaining the product margins.

Significant Plans

The Board of Directors of the Company in its meeting held on April 04, 2024 has accorded its approval for incorporation of a wholly owned foreign subsidiary in the UAE, subject to all applicable regulatory approvals. The subsidiary will be primarily engaged in commercial trading with import, export, distribution and warehousing as its ancillary activities.

Company Performance vs Last Year Projections

In the fiscal year 2023, the Company budgeted revenues of Rupees 49.823 billion, reflecting a 30.78% reduction from the budgeted amount in 2022. Despite a challenging economic climate, the Company achieved revenues of Rupees 48.324 billion, a mere 3.01% below the projected level. While the Company faced challenges like Increased raw material costs, local currency's depreciation, soaring global commodity prices, persistent inflationary pressures, and escalating policy rates, however, gross profit reached Rupees 11.104 billion, surpassing the budgeted figure of Rupees 9.070 billion. Consequently, the Company's profits increased significantly to Rupees 1.325 billion, exceeding the budgeted number of Rupees 613 million.

Financial Projections

The Company's revenue forecast for 2024 is conservative due to import restrictions, inflationary pressures and Pak rupee devaluation. However, future revenues are expected to grow steadily due to an improving order book for electrical equipment, increased electricity consumption, government efforts in enhancing electricity transmission and distribution infrastructure for uninterrupted supply, economic revival, and rising demand from the private sector. Factors such as population growth, rapid urbanization, lifestyle improvements, and the recovery of local industries are driving demand. The growth in urbanization and lifestyle improvements is also boosting the demand for electrical home appliances.

Rs. in millions	2024	2025	2026
Revenue	68,676	78,977	90,824

Status of Projects

The transfer of the Refrigerator manufacturing facility at Unit II on 34 KM Ferozepur Road Lahore has been extensively covered and is expected to be completed as per the plan. Furthermore, the ongoing BMR process is underway to achieve quantitative and qualitative enhancements in all products.

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STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS ENGAGEMENT

The Company acknowledges the pivotal role played by its stakeholders as indispensable partners in driving ongoing progress and ensuring the enduring sustainability of our organization. Recognizing their significance, we prioritize fostering dynamic engagement with them, grounded in transparency standards and full compliance with legal requirements across all communication channels. This steadfast commitment not only fosters an environment of openness but also nurtures harmonious relationships built on trust and mutual respect.

Through our dedication to transparency and adherence to legal guidelines, we endeavor to cultivate an atmosphere conducive to meaningful dialogue and collaboration with our stakeholders. This approach ensures that our interactions are not only effective but also conducive to maintaining a deep understanding of their concerns and priorities. By actively listening and remaining attuned to their needs, we address key issues and make informed decisions that align with their interests, contributing to the long-term success of our collective endeavors.

Stakeholders Engagement Policy

The Board of Directors has established a robust policy regarding communication with stakeholders, recognizing the significance of transparent and effective engagement in fostering trust, accountability, and long-term relationships. This policy outlines the principles and procedures guiding communication practices to ensure alignment with the Company's objectives and values.

The Board emphasizes the importance of open and transparent communication with stakeholders, including shareholders, employees, customers, suppliers, bankers, regulators, and the broader community. This entails providing timely and relevant information on the Company's performance, strategy, governance practices, and material developments. The Board commits to facilitating two-way communication channels that enable stakeholders to express their concerns, provide feedback, and seek clarification on matters of interest.

Furthermore, the policy mandates adherence to principles of integrity, accuracy, and confidentiality in all communications with stakeholders. Information shared must be factual, complete, and free from bias or misleading statements. Confidential information is handled with the utmost care and discretion, ensuring compliance with legal and regulatory requirements, as well as ethical standards.

The Board recognizes the diversity of stakeholder interests and preferences and tailors communication strategies and channels accordingly. This includes annual reports, shareholder meetings, press releases, management reports, analyst briefings, and direct engagement sessions. The Board ensures that communication materials are accessible, understandable, and culturally sensitive to reach a broad audience effectively.

Regular assessment and review of communication practices are conducted to evaluate effectiveness, identify areas for improvement, and ensure continuous alignment with stakeholder expectations and evolving needs. The Board remains committed to fostering a culture of transparency, accountability, and stakeholder engagement, recognizing that meaningful communication is essential for building and maintaining trust, enhancing organizational reputation, and driving sustainable long-term value.

Stakeholders Identification Process

The Company identifies its stakeholders through a comprehensive process that involves assessing the various individuals, groups, and entities impacted by its operations and decisions. This identification is based on recognizing the significance of each party's involvement in the Company's activities and their potential influence on its success and sustainability.

Firstly, the Company conducts thorough stakeholder mapping exercises to identify and categorize different stakeholder groups. This involves analyzing internal and external factors to determine the relevance and impact of each stakeholder group on the Company's objectives and operations.

Secondly, the Company engages in active communication and consultation with these identified stakeholder groups to gain insights into their perspectives, expectations, and concerns.

Thirdly, the Company assesses the level of influence and interest of each stakeholder group in the Company's activities and decisions. This helps prioritize engagement efforts and allocate resources effectively to ensure meaningful interactions with key stakeholders.

The Company has identified the following key stakeholder groups:

- Shareholders and Investors
- Customers and Suppliers
- Bankers and Lenders
- Media
- Government and Regulators
- Analysts
- Employees
- Society

Overall, the Company's stakeholder identification process is guided by a commitment to understanding and responding to the diverse needs and interests of all parties involved. By recognizing the importance of stakeholders in its operations and decision-making processes, the Company strives to foster mutually beneficial relationships and achieve sustainable outcomes.

Stakeholders Engagement Process

The Company has implemented a comprehensive stakeholder engagement process aimed at fostering collaborative relationships and gathering valuable insights from its diverse stakeholders. This process begins with the establishment of clear objectives and goals for engagement, ensuring alignment with the Company's overall mission and values. Through various communication channels such as meetings, forums, and online platforms, the Company actively seeks input and feedback from stakeholders, including investors/shareholders, customers, employees, suppliers, bankers, etc. These engagements provide opportunities for stakeholders to voice their perspectives, concerns, and expectations, allowing the Company to better understand their needs and preferences. Additionally, the Company is committed to transparency and accountability throughout the engagement process, providing regular updates on key decisions and actions taken in response to stakeholder feedback. By fostering open and inclusive dialogue, the Company builds trust, strengthens relationships, and ultimately drives positive outcomes for all stakeholders involved.

STAKEHOLDERS ENGAGEMENT

Shareholders and Investors

Engagement Process

Our commitment to engaging with shareholders remains steadfast, recognizing their pivotal role in our journey towards achieving Company goals. Through avenues like general meetings and periodic reporting, we foster an environment where their support and confidence are instrumental. All channels of communication, including these meetings, serve as vital platforms for addressing shareholder concerns seamlessly. To ensure transparency in our interactions, we've dedicated a section called "Investor Relations," housing essential information crucial for shareholders' interests and decision-making processes.

Engagement Frequency

Periodic

Mode of Engagement

General Meetings, Periodic Reporting

Effect and Value to PEL

The providers of capital allow PEL the means to achieve its vision.

Customers and Suppliers

Engagement Process

Building sustainable relationships with customers is paramount to our business sustainability and success.

Our sales and marketing endeavors prioritize consistent engagement through market visits, meetings, and regular communication to promptly address concerns and meet expectations regarding product quality, pricing, and service delivery.

Similarly, we maintain close ties with our suppliers through meetings and correspondence to ensure an efficient resolution of issues.

Recognizing suppliers as valuable assets, we collaborate closely to bolster our supply chain and achieve Company objectives effectively.

Engagement Frequency

Regular

Mode of Engagement

Market Visits, One-to-One Meetings

Effect and Value to PEL

Our success and performance depends upon the loyalty of our customers with the PEL brand and effective supply chain management.

Bankers and Lenders

Engagement Process

Collaborating regularly with bankers and debt finance providers is integral to supporting our financial operations comprehensively.

This collaboration encompasses securing both short-term and long-term financing, optimizing debt pricing strategies, managing investments, and facilitating deposits.

Additionally, our engagement with banks extends to managing letters of credit, streamlining supplier payments, and overseeing operational disbursements, thereby promoting efficient financial management and operational excellence.

Engagement Frequency

Regular

Mode of Engagement

Meetings, Corporate/Analyst Briefings

Effect and Value to PEL

Banks and other lenders are key to our performance in terms of access to debt finances and future planning.

Media

Engagement Process

Various media platforms serve as channels to inform the general public and customers about our Company's latest developments, activities, and products. Leveraging a diverse array of media outlets, including traditional print, digital platforms, social media channels, and broadcast media, we ensure comprehensive coverage and outreach.

Through press releases, interviews, feature articles, and multimedia content, we aim to provide transparent and engaging communication to our stakeholders. Additionally, we actively engage with influencers and media professionals to disseminate accurate information.

Engagement Frequency

Regular

Mode of Engagement

Meetings

Effect and Value to PEL

Awareness of the Company is developed along with awareness of the Company's products offered.

Government and Regulatory Bodies

Engagement Process

We are dedicated to upholding good corporate governance practices, with our corporate and legal teams diligently implementing effective compliance measures aligned with legal and regulatory requirements. Actively engaging with regulators ensures timely compliance with new regulatory and legal requirements, involving the submission of periodic returns/reports, responding to inquiries, and conducting necessary meetings. Additionally, by staying updated on regulatory changes and industry trends, we position ourselves to anticipate and address potential challenges, further enhancing our resilience and reputation.

Engagement Frequency

Regular

Mode of Engagement

Meetings, Compliance Reporting

Effect and Value to PEL

Laws and regulations, and other factors controlled by the Government affect PEL and its activities.

Analysts

Engagement Process

Regular engagement with analysts serves to provide insights into our operations and performance, attracting potential investors while adhering to regulatory limitations on insider information/trading.

These interactions aim to enhance transparency, build trust with stakeholders, and foster long-term partnerships and investment opportunities.

Through these engagements, we aim not only to disseminate information but also to actively seek feedback, ensuring that our strategies align with market expectations and investor sentiment.

Engagement Frequency

Periodic

Mode of Engagement

Meetings, Corporate/Analyst Briefings

Effect and Value to PEL

Providing all the required information to analysts helps in clarifying any misconception/rumour in the market

Employees

Engagement Process

Employee engagement is pivotal in fostering commitment and maintaining a constructive workplace atmosphere.

We prioritize providing a healthy work environment, encouraging work-life balance, organizing employee gatherings, and conducting regular training and development sessions.

Soliciting input from employees helps prioritize their perspectives and address any issues promptly. Furthermore, we endeavor to create avenues for open communication, where employees feel empowered to voice their opinions and contribute to decision-making processes.

Engagement Frequency

Regular

Mode of Engagement

Appraisals, Gatherings, Trainings

Effect and Value to PEL

Our employees are at the heart of our organization, implementing every strategic and operational decision.

Society

Engagement Process

As responsible corporate citizens, we remain committed to environmental sustainability and community welfare initiatives. Our efforts include tree planting in local communities, providing scholarships for underprivileged students, and organizing various activities for employee well-being and community development.

We actively support and fund outreach programs that have a positive impact on the environment, our employees, and the communities we serve.

Engagement Frequency

Regular

Mode of Engagement

Meetings, One-on-One Engagements

Effect and Value to PEL

The people of our country provide the grounds for us to build our future.

INVESTOR RELATIONS

Registered Office

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 042-35718274-6
Fax: 042-35762707

Share Registrar

Corplink (Private) Limited
Wings Arcade, 1-K Commercial Model Town, Lahore.
Tel: 042-35839182, 35887262
Fax: 042-35869037

Listing on Stock Exchanges

Ordinary shares of Pak Elektron Limited are listed on Pakistan Stock Exchange Limited.

Stock Code / Symbol

The stock code / symbol for trading in ordinary shares of Pak Elektron Limited at Pakistan Stock Exchange Limited is PAEL.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan Regulations and the listing requirements.

Dividend

In view of the future strategic plans for 2024, requiring retention of profits, the Board of Directors did not propose any dividend for the year 2023.

Annual General Meeting

The 68th Annual General Meeting of Shareholders of Pak Elektron Limited will be held on Monday, 29 April 2024 at 11:00 A.M. at Factory Premises 14-K.M., Ferozepur Road, Lahore.

Book Closure Dates

Share Transfer Books of the Company will remain closed from 22 April 2024 to 29 April 2024 (both days inclusive).

Dividend Remittance

Ordinary dividend declared and approved at the Annual General Meeting will be paid within the statutory time limit of 30 days.

(i) For shares held in physical form: to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.

(ii) For shares held in electronic from: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

Withholding of Tax and Zakat on Ordinary Dividend

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company at the applicable rates.

Zakat is also deductible at source form the ordinary dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

Dividend Payments

Cash dividends are paid through electronic mode directly in to the bank account designated by the entitled shareholders whose names appear in the Register of Shareholders at the date of book closure.

General Meetings and Voting Rights

Pursuant to section 132 of the Companies Act, 2017, PEL holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Shareholders having holding of at least 10% of voting rights may also apply to the Board of Directors to call for meeting of shareholders, and if the Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All ordinary shares issued by the Company carry equal voting rights, Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in the Company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

Investor's Grievances

To date none of the investors or shareholders has filed any significant complaint against any service provided by the Company to its shareholders.

Proxies

Pursuant to section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to appoint a proxy. The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

Service Standards

Listed below are various investor services and the maximum time limits set for their execution:

	For requests received through post	For requests received over the counter
Transfer and transmission of shares	30 days after receipt	30 days after receipt
Issue of duplicate share certificates	30 days after receipt	30 days after receipt
Issue of duplicate dividend warrants	5 days after receipt	5 days after receipt
Issue of revalidated dividend warrants	5 days after receipt	5 days after receipt
Change of address	2 days after receipt	1 day after receipt

Well qualified personnel of the Shares Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

Web Presence

Updated information regarding the Company can be accessed at its website, www.pel.com.pk The website contains the latest financial results of the Company together with the Company's profile. The "Investor Relations" section can be accessed at https://pel.com.pk/investor-relations/.

Fundamental knowledge and understanding of financial market is crucial for the general public and lack of financial literacy or capability makes them vulnerable to frauds. SECP recognizes the importance of investor education and therefore initiated this investor education program, called 'JamaPunji', an investor training program, to promote financial literacy in Pakistan.

www.jamapunji.pk

INVESTOR RELATIONS

Facilitating Participation of Minority Shareholders in AGMs

The management of the Company ensures equitable treatment of all shareholders, including minorities, by actively encouraging their attendance, participation in discussions, and voting at the Annual General Meeting (AGM). Minority shareholders are also encouraged to appoint proxies in accordance with legal and regulatory requirements. Notices for the AGM are published in both Urdu and English languages in a nationally circulated daily newspaper, as well as on the Company's website at www.pel.com.pk.

Investor Relations Section on the Corporate Website

The Company's website features a dedicated section called "Investor Relations", which provides comprehensive financial information necessary for informed decision-making by investors, fostering transparency and trust between the Company and its shareholders.

Highlights from the Previous AGM

The last AGM took place at the Company's factory premises at 14KM, Ferozepur Road, Lahore on 27 April 2023, and was well-attended by shareholders. The approved agenda included the adoption of Audited Financial Statements and the re-appointment of M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditors for the ensuing financial year. Furthermore, a special resolution was passed to distribute the Annual Report and Financial Statements through QR-enabled codes and weblinks embedded in the notice of AGM, instead of traditional DVD packs. Notably, no significant issues were raised during the meeting.

Corporate Briefing Sessions

The Company conducts regular meetings with investors and financial analysts in accordance with PSX Rules. While the Company strives to provide information to various market participants, including investors, stockbrokers, and analysts, its ability is subject to regulations applicable to listed companies, ensuring fair treatment for all stakeholders.

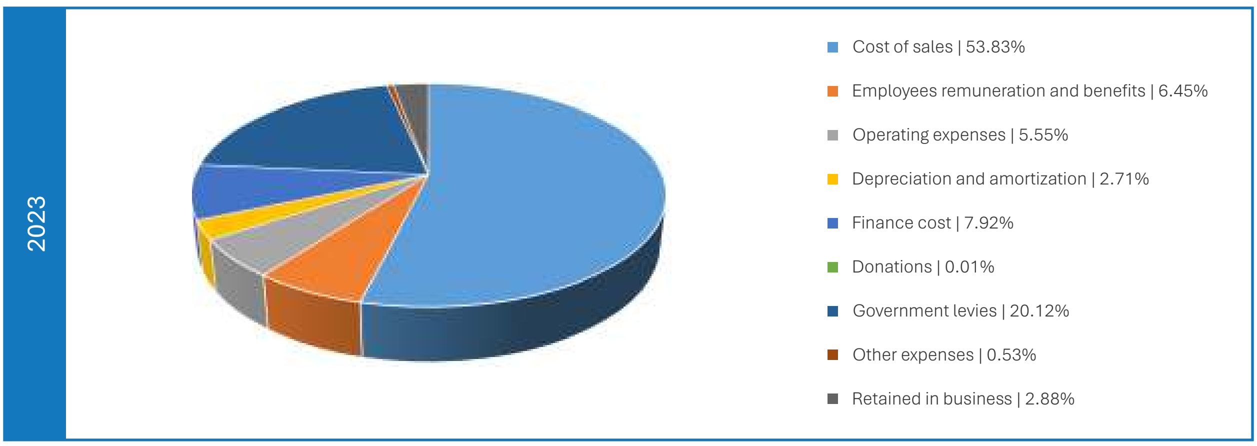
The most recent Corporate Briefing Session was held on 07 December 2023, covering a range of topics of interest to investors and analysts, such as the financial health and achievement, business overview and opportunities.

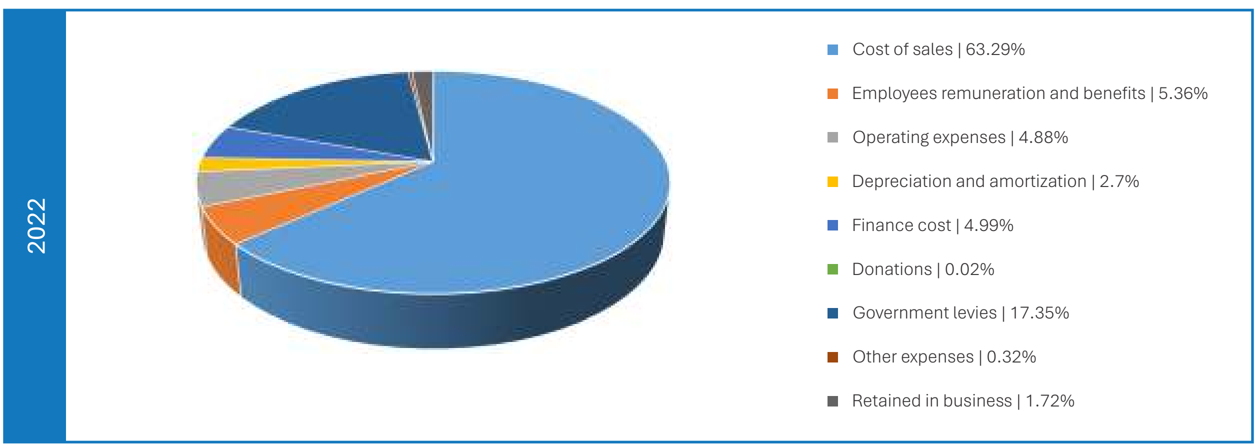
Resolution of Investors' Grievances

The Company has established a robust mechanism for addressing and resolving investors' complaints effectively. Shareholders are encouraged to communicate their concerns through call or written correspondence to the Company's corporate department. All investor feedback was promptly addressed, however no significant complaints were received during the year.

STATEMENT OF VALUE ADDITION

	2023		2022	
	Rs. '000	%age	Rs. '000	%age
Wealth Generated				
Revenue from contracts with customers	45,977,612	99.77%	61,848,653	99.87%
Other income	103,888	0.23%	78,252	0.13%
Total Wealth Generated	46,081,500	100.00%	61,926,905	100.00%
Wealth Distributed				
Cost of sales	24,807,251	53.83%	39,194,143	63.29%
Employees remuneration and benefits	2,971,069	6.45%	3,320,383	5.36%
Operating expenses	2,555,447	5.55%	3,021,921	4.88%
Depreciation and amortization	1,250,209	2.71%	1,278,945	2.07%
Finance cost	3,648,653	7.92%	3,090,075	4.99%
Donations	6,246	0.01%	13,532	0.02%
Government levies	9,271,236	20.12%	10,743,161	17.35%
Other expenses	246,300	0.53%	197,278	0.32%
Retained in business	1,325,089	2.88%	1,067,467	1.72%
Total Wealth Distributed	46,081,500	100.00%	61,926,905	100.00%





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SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

ADOPTION OF BEST PRACTICES FOR CSR

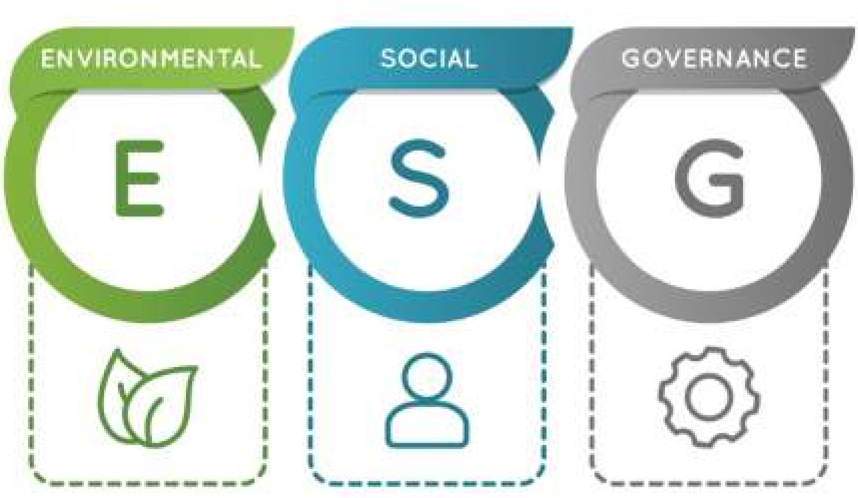
In order to keep up with the expectations of the society, “PEL Cares”. We have a vast history of contributing for the social causes which help us become a good corporate citizen.

At PEL we pride ourselves in aligning our business strategy to meet societal needs. We believe in giving something back to the society because we care. For us it’s about more than just aligning our activities with our stakeholder’s expectations whether it’s our clients, suppliers, the community, our employees and society as a whole. We work hard to minimize environmental impact to maximize social development.

Our appliances and power division has opened doors to improving lives through innovation, sustainability and adaptability. Through a broad range of community initiatives, charitable giving, foundation grants and volunteerism, we seek to create more value for our society to continue to bring joy in people’s lives.

The Company has is in process of adopting the Corporate Social Responsibility (Voluntary) Guidelines, 2013. These guidelines have been issued by the Securities and Exchange Commission of Pakistan in order to promote responsible business conduct that supports community growth for public interest, eliminates adverse practices impacting the public sphere and ensures corporate accountability. The Company intends to be fully compliant with these guidelines and to move beyond the recommended minimum provisions articulated in the guidelines by end of the year 2024.

STRATEGIC OBJECTIVES ON ESG/SUSTAINABILITY REPORTING



PEL, being a forward-thinking company committed to sustainability and responsible corporate citizenship, prioritizes Environmental, Social, and Governance (ESG) objectives to drive positive impact across its operations and stakeholders. By integrating ESG principles into its business strategy, PEL aims to create long-term value while contributing to a more sustainable future for all.

Environmental Objectives

PEL recognizes the importance of environmental stewardship in mitigating climate change and preserving natural resources. The Company is dedicated to reducing its carbon footprint by implementing energy-efficient practices, optimizing resource usage, and investing in renewable energy sources. PEL strives to minimize waste generation and promote recycling initiatives throughout its supply chain. Additionally, the Company is committed to assessing and managing environmental risks to safeguard ecosystems and biodiversity in the communities where it operates.

Social Objectives

PEL places a strong emphasis on fostering inclusive and diverse workplaces where employees feel valued, respected, and empowered. The Company prioritizes employee health and safety by implementing robust occupational health and safety protocols and providing ongoing training and development opportunities. PEL is dedicated to promoting diversity, equity, and inclusion at all levels of the organization, ensuring equal opportunities for all employees. Furthermore, the Company actively engages with local communities to support social welfare initiatives, education programs, and healthcare services, thereby contributing to the well-being and prosperity of society.

Governance Objectives

PEL upholds the highest standards of corporate governance, transparency, and ethical conduct to maintain the trust and confidence of its stakeholders. The Company is committed to adhering to regulatory requirements and industry best practices, fostering accountability and integrity in its decision-making processes. PEL ensures effective oversight and risk management through its governance structures, including a diverse and independent board of directors. Furthermore, the Company promotes ethical behavior and responsible business practices throughout its value chain, cultivating trust and credibility with customers, suppliers, and investors alike.

Overall, PEL's ESG objectives reflect its dedication to sustainability, social responsibility, and good governance. By aligning its business practices with these principles, PEL strives to create value for its stakeholders while making a positive contribution to society and the environment.

SUSTAINABILITY HIGHLIGHTS

Environmental

The highlights of the Company's performance, policies, initiatives and plans in place relating to certain aspects of this dimension of sustainability are as follows:

Clean Drinking Water

PEL launched "Pel Se Zindagi", an on ground activation that resulted in the installation of refrigerator like water dispensers that provided cool and clean drinking water to the underprivileged community of Lahore. These water dispensers were placed in parks where people rest under the cool shade of the tree, at railway stations, near government hospitals and in marketplaces where most people travel back and forth by foot.

A noble and encouraging initiative, "Pel Se Zindagi" not only involved in spreading awareness about the importance of clean water but also instilled a desire among people to perform their own acts of kindness. People were inspired to take a step forward towards making a difference. They were encouraged to post their stories or accounts of their good deeds in order build a united community based on charity.

Energy Conservation

PEL recognizes the importance of efficient use of limited energy resources and responsible use of energy resources remains a priority at PEL.

PEL has also developed an Energy Information System to help identity energy losses at PEL's production units and those associated with PEL's products. The system helps addressing abnormalities in the system and enables PEL to defined benchmarks for energy consumption per product thereby improving energy consumption at PEL's production units.

Mitigating the Adverse Impact of Industrial Effluents

There are no industrial effluents at PEL's plants that might adversely impact the environment.

Social

The Company has significant impact on the social systems in which its operates. The highlights of the Company's performance, policies, initiatives and plans in place relating to certain aspects of this dimension of sustainability are as follows:

Industrial Relations

PEL recognizes importance of god and positive relations with its employees and has put in place an effective system to ensure that a mutual beneficial relationship is maintained. Salient features of this system include providing conducing working environment, appropriate pay packages, rewards for performance with discrimination and special incentives for maintenance of industrial peace.

Community Investment & Welfare

Keeping in perspective the need for motivational packages, PEL has introduced an innovative form of compensation to its employees. On an annual basis, Lucky Draw is held for all the employees of PEL who have been with the company for a minimum duration of five years.

Ten lucky individuals are selected to perform the noble cause of Hajj and their entire expenses in this regard are borne by PEL.

Product Quality Assurance

PEL is dedicated towards maintenance of excellent product quality which is evident from evergrowing consumer confidence in PEL's products.

The alpha and omega of our quality objectives are increasingly customer centric. Minimizing key critical complains one hand and introducing cutting edge features/technologies in all of its worthy products on the other, PEL is ready to take a radical leap through product innovation, diversity and unique business system from market driven to market driving in the future not too far.

Extensive quality assurance measures have been implemented by PEL to provide best 'value for money' products.

Consumer Protection Measures

The requirement for protection of consumer rights and interests is greatly valued at PEL. For this, an effective system has been put in place to ensure the consumer interests are safeguarded.

Our extensive dealer network ensures that our products are available throughout the country. Well trained officers employed at established and strategically located regional offices handle customers complaints and simultaneously provide guidance to consumers. Customers are provided business related information regularly so that they remain abreast with latest products. Regular customer satisfaction surveys are conducted to gain customer feedback.

Occupational Health and Safety

Employee safety is an integral part of PEL's agenda. PEL heavily relies on Quality and Safety policy, strict and stringent safety policies have been put in place for workers to avoid the risk of an accident and ensure maximum safety of employees. PEL over the year has implemented initiatives to promote awareness, training and communication targeting all employees. 46 technical and non technical trainings were conducted companywide for workers.

Three water filtration plants are installed in the company in compliance with World Health Organization (WHO) & National Environmental Quality Standards to provide clean drinking water to its employees.

SUSTAINABILITY HIGHLIGHTS

Rural Development Programs

PEL has undertaken establishing a girls' school near Luliani in coordination with a charitable trust by the name of Care Foundation. This will be followed by establishing more schools in other rural areas of the country.

Employment of Special Persons

PEL considers it a social and moral responsibility to accommodate special persons and ensure that there are ample opportunities for their hiring and retention.

Special efforts are made for training and development of special persons to enable them to compete with others and to provide equal incentives for career growth and development without discrimination.

Business Ethics and Anti-corruption Measures

PEL's Legal & Compliance Department organized a Code of Conduct briefing session for its employees. An awareness drive was set up for employees to comply with all applicable laws, regulations and corporate ethical standards, while interacting with third parties. A seminar was conducted on Value-Driven Workplace Environment”, where panelist from Pakistan top industries were called in to share their thoughts on importance of Code of Conduct and Value Driven Workplace Environment. PEL top management including General Managers and department head participated in seminar. The primary goal was to increase the participants' understanding of the company's Code of Conduct and doing ethical business by creating a value-based working environment.

Equal Opportunity and Non-Discrimination

PEL takes pride in being an equal opportunity employer. The Company aims to create a working environment in which every individual is able to effectively and efficiently use their skills and abilities, free from discrimination or harassment, and in which all decisions, rewards and/or promotions are objectively based on merit. We do not tolerate any form of discrimination, harassment or bullying at the workplace.

Child Labor

The Company strictly adheres to a prohibition policy on any form of child labor. No child has ever been employed by the Company and the same policy shall continue in future.

Forced or Compulsory Labor

PEL does not engage in forced or compulsory work practices and maintains a free working environment. PEL strongly discourage practices of modern slavery where labour/workers were forced to work overtime or working extra hours without pay by use of violence, threats or coercion.

Grievance Mechanism

The Company is committed to provide every opportunity to every employee for re-dress of any valid grievances arising from work related matters. The management does not discriminate against any employee who elects to use the grievance procedure. The purpose of this policy is to encourage healthy relationship between employees in order to ensure smooth running of the business.

Governance

Compliance

PEL upholds a steadfast commitment to governance and compliance, ensuring unwavering adherence to all pertinent laws and regulations governing its operations. These encompass a broad spectrum, including corporate governance regulations, corporate laws, environmental mandates, competition statutes, and labor regulations. Through meticulous attention to legal frameworks, PEL safeguards its integrity and upholds the highest standards of business conduct.

Risk Management and Controls

PEL maintains a rigorous approach to risk management and controls, underpinned by a structured and proactive Risk and Controls function. This framework ensures that the company has robust processes in place for identifying, assessing, monitoring, and mitigating operational, financial, and reputational risks. By staying vigilant and responsive to potential threats, PEL safeguards its assets, preserves shareholder value, and sustains its long-term success.

Ethical Leadership and Decision-Making

At the heart of PEL's operations lies a commitment to ethical leadership and decision-making. Guided by a robust Code of Conduct, the company cultivates a culture where integrity and ethical principles permeate every level of the organization. Leaders within PEL exemplify ethical behavior, serving as role models who inspire trust and confidence among employees, customers, and partners alike.

Transparency and Disclosure

Transparency serves as a cornerstone of PEL's governance ethos. The company prioritizes open and candid communication with stakeholders, fostering trust through comprehensive and timely disclosure practices. By adhering to regulatory requirements and embracing a culture of transparency, PEL ensures that its stakeholders are well-informed and empowered to make informed decisions.

CERTIFICATE AND ACHIEVEMENTS

PEL is always committed to provide quality products and services to ITS customers, safe and healthy working environment for our people and to keep the environment clean for community.

Quality, Health, Safety and Environment is an integral part of PEL business and to achieving this aim, PEL has established an independent QHSE department.

To meet the quality of ITS products and services according to international and national standards, Pak Elektron Limited extends comprehensive efforts to fulfil the requirements of standards, regulatory and statutory requirements. To ensure quality, safe and healthy workplace and environment, our practices are guided by highly comprehensive Integrated Management System (IMS) which is entrenched into our business processes and organizational culture.

All activities are conducted and closely monitored to maintain the quality, safeguard our people and also the environment by abiding regulations of Environmental Protection Agency (EPA). We are doing environmental monitoring of our stack emissions, drinking and waste water of our premises to ensure compliance with the Punjab Environment Quality Standards (PEQS).

Pak Elektron Limited has also acquired accreditation of its Distribution Transformer Testing Lab from Pakistan National Accreditation Council (PNAC), which is the highest level of quality.

To keep the confidence on Integrated Management System, Pak Elektron Limited has acquired and maintain certification on various international and national standards.

ISO 45001

ISO 45001 is an international standard that specifies requirements for an Occupational Health and Safety (OH&S) management system. It provides a framework for organizations to manage risks and improve OH&S performance. PEL Occupational Health and Safety Management System is certified on ISO 45001:2018

ISO 9001

ISO 9001 is a family of standards for quality management systems. The requirements of ISO 9001 include maintaining a set of procedures that cover all key processes in the business, to ensure they are effective, maintain adequate records, check output for defects, with appropriate and corrective action where necessary. PEL Quality Management System is certified on ISO 9001:2015

ISO 14001

ISO 14001 is an organizational system standard for monitoring, controlling, and improving quality of the environment. standards exist to help organizations minimize how their operations affect the environment (cause adverse changes to air, water, or land) and comply with applicable laws and regulations. PEL Environmental Management System is certified on ISO 14001:2015

ISO/IEC 17025

ISO/IEC 17025:2017 specifies requirements for quality and competence in testing and calibration laboratories. The standard requires that such labs prioritize excellent quality practices and develop a reliable quality management system to establish and demonstrate their competence. PEL's Transformer Testing Lab is accredited on ISO/IEC 17025:2017

Pakistan Standards and Quality Control Authority [PSQCA]

PSQCA promotes standards and conformity assessment for promoting industrial efficiency and development, protecting the consumers, facilitating trade and furthering international co-operation in relation to standards and conformity assessment in the interest of consumers. PEL holds CM License for Refrigerator, Deep-Freezer and Energy Meter from PSQCA.

Distribution Transformers and Energy Meters Type testing

KEMA Labs is world renowned Testing, Inspections and Certification organization. It combines traditional with state-of-the-art gear to ensure every kind of grid equipment, can be tested, satisfying today's increasingly demanding criteria for performance and safety. PEL Distribution Transformers and Energy Meters are Type Tested from KEMA Netherlands.

CE Marking of Power Products

CE marking indicates that a product has been assessed by the manufacturer and deemed to meet EU safety, health and environmental protection requirements. It is required for products manufactured anywhere in the world that are then marketed in the EU. PEL Distribution Transformer, Switchgear and Energy Meters are CE Mark Certified.

Switchgear Panels Type Testing

KERI, one of the world's internationally accredited institutes and a full member of Short-Circuit Testing Liaison, provides comprehensive testing and evaluation services necessary for quality assurance of newly developed electric power equipment as a state-authorized testing and certification institute in Korea. PEL Switchgear Panels are Type Tested from KERI, Korea.

Power Transformers Type Testing

Veiki is an accredited testing lab which carries out type tests and qualification tests of the devices and equipment that make up the electricity system. These tests guarantee the reliability of high-current systems, continuous energy supply, and the safety of people living near the network and those operating the system. PEL Power Transformer is Type Test certified from VEIKI, Hungary.

CSR INITIATIVES

At PEL we pride ourselves in aligning our business strategy to meet societal needs. We believe in giving something back to the society because we care. For us it's about more than just aligning our activities with our stakeholder's expectations whether it's our clients, suppliers, the community, our employees and society as a whole. We work hard to minimize environmental impact to maximize social development.

Embodying Social Responsibility with Compassionate Actions

SOS Village

In a recent Corporate Social Responsibility (CSR) initiative, PEL has taken a significant step towards contributing to the well-being of the community. The focus of this endeavor is the SOS Village Rawalakot, where PEL has pledged to make a positive impact on the lives of children.

PEL, a prominent player in the industry, has donated home appliances to the SOS Village Rawalakot. By contributing Home Appliances, PEL aims to create a more comfortable and conducive environment for the children's growth and development. This CSR activity reflects PEL's commitment to social responsibility, emphasizing the importance of corporate entities in supporting community welfare.

Central Park Teaching Hospital

In an inspiring demonstration of corporate social responsibility, PEL has once again shown its profound commitment to societal well-being. With a sense of accomplishment, empathy, and pure intentions, PEL has extended its support to the healthcare sector, underlining the essence of its CSR initiatives.

In a recent benevolent act, PEL donated an infant incubator to Central Park Teaching Hospital. This significant contribution is more than just a corporate gesture; it's a manifestation of PEL's deep-seated values and its dedication to make a tangible impact on society. The donation of the infant incubator is a critical step towards enhancing the hospital's ability to provide the best possible treatment for its most vulnerable patients.

PEL's initiative reflects a responsible organization's ethos that understands and values its role in societal development. Through its CSR programs, PEL is not just aiding the healthcare sector; it is also nurturing a culture of empathy and kindness within the corporate world.

Plantation Drive

PEL actively joined the Green Lahore Drive, demonstrating its commitment to environmental and social responsibility at Liberty and Qaddafi Stadium. We planted 100 trees in unit-2 (AD) and donated an extra 500 trees, it is our dedication to community welfare and environmental preservation. We with the Environmental Protection Agency Government of Punjab, organized PEDAL 2023, a cycling marathon around Liberty Roundabout, promoting sustainable transportation and reinforcing the company's proactive engagement in environmental initiatives.

PEL and ECW Partnership: Cultivating a Future of Opportunity and Responsibility

PEL's steadfast dedication to corporate social responsibility and sustainable business practices has found a new avenue of expression through its recent Memorandum of Understanding (MoU) with ECW. This MoU is not just a formal agreement; it's a visionary step towards a more inclusive and responsible future for engineering graduates.

Central to this partnership is PEL's commitment to integrate unemployed engineering graduates into its workforce as trainee engineers. This initiative goes beyond providing job opportunities; it's a mission to instill a sense of purpose and social responsibility in the next generation of engineers. By offering these graduates a chance to work on real-world projects, PEL is not only harnessing their potential but also nurturing their growth into well-rounded, socially conscious professionals.

PEL and NUST Partnership: Investing in the Future of Our Youth

In an exemplary commitment to nurturing young talent, PEL has taken a significant step forward. On 9 June 2023, PEL inked a Memorandum of Understanding (MoU) with the National University of Sciences and Technology (NUST), marking a milestone in educational collaboration and support. This partnership is not just a formal agreement but a beacon of hope for aspiring students, laying the groundwork for a brighter future.

The collaboration is designed to carve out extraordinary opportunities for deserving students, empowering them to pursue their educational aspirations without financial constraints. PEL, in its generous endeavor, has established endowed seats for four meritorious students at NUST. These scholarships will provide comprehensive financial assistance to the selected students, covering their expenses throughout their academic tenure at NUST. This support goes beyond mere financial aid; it is a nurturing hand extended by PEL to ensure these students can focus solely on their academic and professional growth without the burden of financial worries.

PEL's initiative reflects its dedication to corporate social responsibility and its firm belief in investing in the nation's future by supporting its youth. The partnership with NUST is a shining example of how corporate and educational sectors can come together to make a substantial difference in the lives of young learners. This collaboration is not just about creating opportunities; it's about shaping futures.

PEL and GIKI: Forging a Future of Innovation and Global Competence

In an era of rapid technological advancement, PEL is stepping up as a catalyst for change and progress in the academic sphere. Recognizing the need for students to be at the forefront of global competitiveness, PEL is offering a dynamic platform to the students of Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI). This initiative is set to transform educational experiences, equipping students with the tools and opportunities to excel on a global stage.

PEL's advanced facilities are at the heart of this collaboration. These facilities are not just physical spaces equipped with the latest technology; they are incubators of creativity and skill development. Here, GIKI students will have the chance to immerse themselves in an environment that encourages innovation, hones industry-relevant skills, and fosters practical problem-solving abilities.

The collaboration was officially commenced with Mr. Irfan Baber from PEL and Prof. Dr. Nisar Ahmed from GIKI signing the agreement. This momentous occasion marked the beginning of a synergistic relationship aimed at nurturing innovation and promoting collaborative learning. The partnership is a testament to both institutions' dedication to advancing education and research in engineering and technology.

In essence, the PEL-GIKI partnership is a beacon of progress, symbolizing a future where academic institutions and corporate entities collaborate to foster a culture of innovation and global competence. It's a leap towards a future where education transcends traditional boundaries, empowering students to meet the challenges of an ever-evolving world.

"Caring for others is an expression of what it means to be fully human."
- Hillary Clinton

PEL and NUST Partnership: Investing in the Future of Our Youth

PEL and GIKI: Forging a Future of Innovation and Global Competence

AUDITED FINANCIAL STATEMENTS

Russell Bedford
taking you further

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INDEPENDENT AUDITOR'S REPORT

To the members of PAK ELEKTRON LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of PAK ELEKTRON LIMITED ['the Company'], which comprise the statement of financial position as at **31 December 2023**, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
1. Valuation of stock in trade Refer to notes 5.5 and 27 to the financial statements. Stock in trade amounts to Rs 11,687 million as at	To address the valuation of stock in trade, we assessed historical costs recorded in the valuation of stock in trade; testing on a sample basis with purchase invoices. We tested the basis applied by the management in

Key audit matter	How our audit addressed the matter
the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade. The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices. The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter.	allocating direct labour and direct overhead costs to stock in trade. We also assessed management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.
2. Revenue recognition	
Refer to notes 5.17 and 35 to the financial statements. The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue has decreased by 26 percent in comparison with the previous year. Revenue is recognized when control of the underlying products has been transferred to the customer. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the transfer of control of products as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before transfer of control	Our audit procedures in respect of recognition of revenue, amongst others, included the following: • Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards; • Obtaining an understanding of and testing the design and operating effectiveness of controls design to ensure that revenue is recognized in the appropriate accounting period; • Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Testing, on a sample basis, invoices and inspecting credit notes issued subsequent to year end for accuracy of revenue.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is ALI RAZA JAFFERY.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ CHARTERED ACCOUNTANTS

Lahore | 04 April 2024

UDIN: AR202310704xjKZBzLO7

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	6	11,000,000	11,000,000
Issued share capital	7	9,009,697	9,009,697
Share deposit money	8	-	-
Share premium	9	5,610,856	5,610,856
Revaluation reserve	10	5,737,289	4,785,124
Retained earnings		21,067,369	19,552,222
TOTAL EQUITY		41,425,211	38,957,899
LIABILITIES			
NON-CURRENT LIABILITIES			
Redeemable capital	11	-	-
Long term finances	12	1,660,209	3,480,659
Lease liabilities	13	34,437	72,004
Warranty obligations	14	148,939	191,224
Deferred taxation	15	4,900,647	3,262,446
Deferred income	16	28,460	29,958
		6,772,692	7,036,291
CURRENT LIABILTIES			
Trade and other payables	17	3,230,047	1,452,174
Unclaimed dividend		10,668	10,680
Accrued interest/markup/profit		640,000	630,816
Short term borrowings	18	12,326,010	15,559,787
Current maturity of non-current liabilities	19	1,953,237	3,766,983
		18,159,962	21,420,440
TOTAL LIABILITIES		24,932,654	28,456,731
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		66,357,865	67,414,630

The annexed notes from 1 to 60 form an integral part of these financial statements.

M. MURAD SAIGOL	M. ZEID YOUSUF SAIGOL	SYED MANZAR HASSAN
Chief Executive Officer	Director	Chief Financial Officer

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*21*	28,163,993	25,548,369
Intangible assets	*22*	282,299	286,154
Advances for capital expenditure		64,367	33,288
Long term investments	*23*	19,268	10,944
Long term deposits	*24*	614,919	508,053
Long term advances	*25*	602,921	986,245
		29,747,767	27,373,053
CURRENT ASSETS			
Stores, spares and loose tools	*26*	885,477	857,065
Stock in trade	*27*	11,687,276	13,825,440
Trade receivables	*28*	14,312,984	15,681,038
Construction work in progress	*29*	615,301	787,864
Short term advances	*30*	3,395,068	3,087,358
Short term deposits and prepayments	*31*	1,451,640	1,407,512
Other receivables		219,718	293,767
Short term investments	*32*	32,439	18,118
Advance income tax/Income tax refundable	*33*	3,226,079	3,287,334
Cash and bank balances	*34*	784,116	796,081
		36,610,098	40,041,577
TOTAL ASSETS		66,357,865	67,414,630

The annexed notes from 1 to 60 form an integral part of these financial statements.

M. MURAD SAIGOL	M. ZEID YOUSUF SAIGOL	SYED MANZAR HASSAN
Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Revenue from contracts with customers	*35*	48,324,005	66,028,240
Sales tax, excise duty and discounts	*35*	(9,638,893)	(13,642,062)
Net revenue		38,685,112	52,386,178
Cost of sales	*36*	(27,581,482)	(42,084,692)
Gross profit		11,103,630	10,301,486
Other income	*37*	103,888	78,252
Selling and distribution expenses	*38*	(1,842,938)	(2,982,017)
Administrative expenses	*39*	(2,074,792)	(1,990,558)
Other expenses	*40*	(252,729)	(210,424)
		(4,170,459)	(5,182,999)
Impairment (allowance) / reversal for expected credit losses	*50.1.6*	(84,764)	241,875
Operating profit		6,952,295	5,438,614
Finance cost	*41*	(3,648,653)	(3,090,075)
		3,303,642	2,348,539
Share of profit/(loss) of associate	*23.1.1*	183	(386)
Profit before taxation		3,303,825	2,348,153
Taxation	*42*	(1,978,736)	(1,280,686)
Profit after taxation		1,325,089	1,067,467
Earnings per share - *basic and diluted (Rupees)*	*43*	1.50	1.33

The annexed notes from 1 to 60 form an integral part of these financial statements.

M. MURAD SAIGOL	M. ZEID YOUSUF SAIGOL	SYED MANZAR HASSAN
Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Profit after taxation		1,325,089	1,067,467
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Revaluation surplus recognized during the year	*10*	1,691,998	-
Deferred tax on revaluation surplus			
- recognised during the year	*10*	(196,295)	-
- attributable to change in proportion of income taxable under final tax regime	*10*	(20,665)	(26,376)
- attributable to change in tax rate	*10*	(332,815)	(234,221)
		1,142,223	(260,597)
Other comprehensive income/(loss) after taxation		1,142,223	(260,597)
Total comprehensive income		2,467,312	806,870

The annexed notes from 1 to 60 form an integral part of these financial statements.

M. MURAD SAIGOL	M. ZEID YOUSUF SAIGOL	SYED MANZAR HASSAN
Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

		Share capital		Capital reserves			
	Note	Issued share capital	Share deposit money	Share premium	Revaluation reserve	Retained earnings	Total equity
		Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
As at 01 January 2022		5,426,392	1,790,000	4,279,947	5,353,956	18,176,520	35,026,815
Comprehensive income							
Profit after taxation		-	-	-	-	1,067,467	1,067,467
Other comprehensive loss		-	-	-	(260,597)	-	(260,597)
Total comprehensive income		-	-	-	(260,597)	1,067,467	806,870
Revaluation surplus realised on disposal	*10*	-	-	-	(98,814)	98,814	-
Incremental depreciation	*10*	-	-	-	(209,421)	209,421	-
Transaction with owners							
Share deposit money received		-	3,226,629	-	-	-	3,226,629
Issue of right shares		3,583,305	(5,016,629)	1,433,324	-	-	-
Issuance cost of right shares		-	-	(102,415)	-	-	(102,415)
As at 31 December 2022		9,009,697	-	5,610,856	4,785,124	19,552,222	38,957,899
As at 01 January 2023		9,009,697	-	5,610,856	4,785,124	19,552,222	38,957,899
Comprehensive income							
Profit after taxation		-	-	-	-	1,325,089	1,325,089
Other comprehensive income		-	-	-	1,142,223	-	1,142,223
Total comprehensive income		-	-	-	1,142,223	1,325,089	2,467,312
Revaluation surplus realised on disposal	*10*	-	-	-	-	-	-
Incremental depreciation	*10*	-	-	-	(190,058)	190,058	-
Transaction with owners		-	-	-	-	-	-
As at 31 December 2023		9,009,697	-	5,610,856	5,737,289	21,067,369	41,425,211

The annexed notes from 1 to 60 form an integral part of these financial statements.

M. MURAD SAIGOL	M. ZEID YOUSUF SAIGOL	SYED MANZAR HASSAN
Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	*44*	13,407,766	995,920
Payments for:			
Interest/markup on borrowings - *Conventional instruments*		(3,200,281)	(2,184,413)
Profit on borrowings -*Shariah compliant instruments*		(371,737)	(603,926)
Interest on lease liabilities		(20,147)	(10,280)
Income tax		(829,055)	(1,006,705)
Net cash generated from/(used in) operating activities		8,986,546	(2,809,404)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,065,768)	(3,009,017)
Purchase of intangible assets		(1,306)	(1,510)
Proceeds from disposal of property, plant and equipment		49,085	238,030
Advances for capital expenditure		(31,079)	(15,767)
Net cash used in investing activities		(2,049,068)	(2,788,264)
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of right shares		-	3,583,305
Share premium		-	1,330,909
Redeemable capital		(1,500,000)	-
Long term finances obtained		-	387,500
Repayment of long term finances		(2,120,585)	(2,581,924)
Payment of lease liabilties		(95,069)	(176,268)
Net (decrease)/increase in short term borrowings		(3,233,777)	5,060,935
Share deposit money		-	(1,790,000)
Dividend paid		(12)	(105)
Net cash (used in)/generated from financing activities		(6,949,443)	5,814,352
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,965)	216,684
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		796,081	579,397
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*45*	784,116	796,081

The annexed notes from 1 to 60 form an integral part of these financial statements.

M. MURAD SAIGOL
Chief Executive Officer

M. ZEID YOUSUF SAIGOL
Director

SYED MANZAR HASSAN
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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. 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 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.

1.1 Location of business units

Registered office	17 Aziz Avenue, Canal Bank, Gulberg - V, Lahore, Pakistan
Manufacturing Unit I	14 KM, Ferozepur, Road, Lahore, Pakistan
Manufacturing Unit II	34 KM, Ferozepur, Road, Lahore, Pakistan
Islamabad Office	Office no. 301, Green Trust Tower, Blue Area, Islamabad, Pakistan
Karachi Office	Kohinoor Building, 25 West Wharf Road, Karachi, Pakistan

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared 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

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, 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 judgments 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements are as follows:

(a) *Business model assessment (see note 49.1)*

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) *Satisfaction of performance obligations in construction contracts (see note 35)*

The Company has determined that for construction contracts the customer controls all of the work in progress. This is because these contracts are customer specific and the Company is entitled to reimbursement of costs incurred to date, including a reasonable margin, if applicable, in case the contract is terminated by the customer.

(c) *Significant increase in credit risk (see note 50.1.1)*

As explained in note 50.1.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(d) *Classification of preference shares (see note 7)*

The Company has issued Class 'A' Preference Shares against authorized share capital of this class. In determining whether a preference share is a financial liability or an equity instrument, the Company assesses the particular rights attaching to the shares to determine whether it exhibits the fundamental characteristics of a financial liability. As per the Company's Articles of Association, the Company has the absolute option and right to redeem these preference shares or to call the issue for conversion into ordinary shares of the Company. An option of the issuer to redeem the shares for cash does not satisfy the definition of a financial liability because the issuer does not have a present obligation to transfer financial assets to the shareholders. In this case, redemption of shares is solely at the discretion of the Company. An obligation will arise only when the Company exercises its option, by formally notifying the shareholders of an intention to redeem the shares. Accordingly, the Company has determined that preference shares be classified as equity instruments.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) *Calculation of impairment allowance for expected credit losses on financial assets (see note 50.1.3)*

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 1,933.88 million (31-Dec-22: Rs. 2,039.20 million).

(b) *Revaluation of property, plant and equipment (see note 21)*

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. Refer to note 51.3.1 for an analysis of sensitivity of revalued amounts of property, plant and equipment.

(c) *Warranty provisions (see note 14)*

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the obligation. A 10% increase (decrease) in the Company's estimate of expenditure required to settle warranty obligations would have increased (decreased) the provision for warranty obligations by Rs. 29.08 million (31-Dec-22: Rs. 32.54 million).

(d) *Taxation provisions (see note 42)*

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for current tax and tax contingencies. The provision for current tax is estimated at Rs. 890.31 million (31-Dec-22: Rs. 796.31 million). The management believes that the provision for current tax made in the financial statements is sufficient to discharge related tax liability.

Provision for deferred tax of Rs. 1,088.43 million (31-Dec-22: Rs. 1,088.43 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

2.4 Functional currency

These financial statements have been presented in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest thousand Rupees unless specified otherwise.

2.5 Date of authorization for issue

These financial statements were authorized for issue on 04 April 2024 by the Board of Directors of the Company.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)

The amendments require that an entity discloses its 'material accounting policies', instead of its 'significant accounting policies'. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

3.2 Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments replace the definition of 'change in accounting estimates' with a definition of 'accounting estimates'. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

3.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

3.4 International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance Contracts	01 January 2026
IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial	01 January 2024
IFRS S2 - Climate-related Disclosures	01 January 2024
Classification of Liabilities as Current or Non-Current *(Amendments to IAS 1 - Presentation of Financial Statements)*.	01 January 2024
Lease Liability in a Sale and Leaseback *(Amendments to IFRS 16 - Leases)*	01 January 2024
Non-current Liabilities with Covenants *(Amendments to IAS 1 - Presentation of Financial Statements)*	01 January 2024
Supplier Finance Arrangements *(Amendments to IAS 7 and IFRS 7)*	01 January 2024
Lack of Exchangeability *(Amendments to IAS 21)*	01 January 2025

Other than aforementioned standards, interpretations and amendments, IASB has also issued IFRS 1 - First Time Adoption of International Financial Reporting Standards which has not been notified by the Securities and Exchange Commission of Pakistan for adoption under section 225 of the Companies Act, 2017.

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than presentation and disclosures.

5. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Property, plant and equipment

Land, buildings and plant and machinery held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land, buildings and plant and machinery is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and plant and machinery is recognized as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

All other items or property, plant and equipment (office equipment and fixtures, computer hardware and allied items, vehicles) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 21, so as to write off the cost or revalued amounts of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method, with the exception of computer hardware and allied items, which are depreciated using straight line method over their useful lives, and right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method.

Depreciation on an item of property, plant and equipment commences from the month in which the item is ready for intended use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Incremental depreciation being the difference between depreciation based on the revalued amounts recognized in profit or loss and depreciation based on the historical cost, net of tax, is reclassified from the revaluation reserve to retained earnings. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such items is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss, using amortization methods specified in note 22, over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately or in a business combination are carried at cost less accumulated impairment losses.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, if any, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is stated at cost less any accumulated impairment losses, if any.

5.3 Leases as 'lessee'

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized using straight-line method over the shorter of lease term and useful life of the right-of-use asset, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of operating fixed assets. In addition, the right-of-use asset is adjusted for certain remeasurements of the related lease liability.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in measurement of lease liability comprise:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequent to initial recognition, lease liability is measured at amortized cost using effective interest method whereby the carrying amount of lease liability is increased to reflect the interest thereon and decreased to reflect lease payments made. Interest is recognized in profit or loss.

Lease liability is remeasured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset, except where the carrying amount of right-of-use asset is reduced to zero. In that case, any adjustment exceeding the carrying amount of the right-of use asset is recognized in profit or loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

5.4 Stores, spares and loose tools

These are generally held for internal use and are valued at cost. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held for capitalization are classified as non-current assets.

5.5 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Category	Basis of determination of cost
Raw materials	Moving average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

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

5.6 Employee benefits

5.6.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on un-availed balance of leaves in the period in which the leaves are earned.

5.6.2 Post-employment benefits

The Company operates an approved funded contributory provident fund for all its permanent employees who have completed the minimum qualifying period of service as defined under the respective scheme. Equal monthly contributions are made both by the Company and the employees at the rate of ten percent of basic salary and cost of living allowance, where applicable, to cover the obligation. Contributions are charged to profit or loss.

5.7 Financial instruments

5.7.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.7.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

(a) Financial assets at amortized cost

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income ['fair value through OCI']

These are:

(i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

(ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) *Financial assets at fair value through profit or loss*

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(d) *Financial liabilities at amortized cost*

These are financial liabilities which are not derivates, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) *Financial liabilities at fair value through profit or loss*

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

5.7.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

5.7.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract are expired, discharged or cancelled.

5.7.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.7.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

5.8 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.9 Preference share capital

Preference shares that pay a fixed rate of dividend and that have a mandatory redemption feature at a future date and accordingly they carry a contractual obligation to deliver cash are recognised as a liability.

Preference shares that do not have a fixed maturity, and where the Company does not have a contractual obligation to deliver cash or another financial asset to the holder of preference shares and if these will or may be settled in the issuer's own equity instruments, these are either, a non-derivative that includes no contractual obligation for the Company to deliver a variable number of its own equity instruments or a derivative that will be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments, are recognized as equity.

Dividends on preference shares recognized as a liability are recognized in profit or loss. Dividends on preference shares recognized as equity are charged directly against equity as a deduction from retained earnings as and when declared by the Board of Directors.

5.10 Share deposit money

Share deposit money is recognized as equity on receipt basis.

5.11 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.12 Investments in equity securities

5.12.1 Investments in associates

Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate, dividends received and impairment losses, if any. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

5.12.2 Investments in other quoted equity securities

Investments in quoted equity securities are mandatorily classified as 'financial assets at fair value through profit or loss'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss. Gains and losses on de-recognition are recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive payment is established.

5.13 Ijarah transactions

Ujrah payments under an Ijarah arrangements are recognized as an expense in the profit or loss on a straight-line basis over the Ijarah terms unless another systematic basis are representative of the time pattern of the user's benefit, even if the payments are not on that basis.

5.14 Trade and other payables

5.14.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.14.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.15 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.16 Trade and other receivables

5.16.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade debts that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.16.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

5.17 Contracts with customers

5.17.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Refrigerators, Deep Freezers, Air Conditioners, Microwave Ovens, LED TVs, Washing Machines, Water Dispensers and other domestic appliances.	Performance obligation are satisfied when customers obtain control of domestic appliances when these are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within a period ranging from 30 days to 90 days, except for retail sales which are payable at the time of purchase. Discounts are allowed based on the payment terms and volume of sales. There are no customer loyalty programs. There are warranty provisions in place which provide for the Company's obligations for service/replacement of products where these do not meet the agreed specifications or otherwise do not perform as guaranteed by the Company.	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers at their premises.
Electrical capital goods Transformers, Switchgears, Energy Meters.	Performance obligation are satisfied when customers obtain control of electrical capital goods when these are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices, where customer is the Federal/Provincial Government, are payable in accordance with the tender documents, by usually upto 90 days. For private customers, invoices are usually payable within a period ranging from 30 days to 90 days, except in some cases where these are paid for in advance. These products do not carry any discounts. There are no customer loyalty programs. There are warranty provisions in place which provide for the Company's obligations for service/replacement of products where these do not meet the agreed specifications or otherwise do not perform as guaranteed by the Company.	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers at their premises.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Construction contracts Engineering, Procurement and Construction Services.	The Company constructs power grid stations for Government as well as private customers. Performance obligations are satisfied over time by reference to stage of completion of contract activity certified as at the reporting date. Invoices are issued according to contractual terms and are usually payable within a period ranging from 30 days to 90 days, except for those contracts for which transaction price has been received in advance. A percentage of transaction price is retained by some customers as 'retention money' from payments to the Company, which is released on expiry of an agreed period after completion of contract activity. Uninvoiced amounts are presented as contract assets.	Revenue is recognised over time using the output method based on measurements of the value of services transferred to date, relative to the remaining services promised under the contract.

5.17.2 Contract assets

Contract assets represent work performed upto the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

5.17.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

5.18 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting and reporting standards as applicable in Pakistan, and is presented in 'other comprehensive income' section of the 'statement of comprehensive income'.

5.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.20 Income tax

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

5.20.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.20.2 Deferred taxation

Deferred tax is accounted for using the' balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.21 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount of grant is recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the tenure of loan.

5.22 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

5.23 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

5.24 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.25 Impairment

5.25.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company recognises lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

5.25.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.26 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved.

5.27 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly otherincome and expenses, share of profit/loss of associates and provision for taxes.

5.28 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 AUTHORIZED SHARE CAPITAL

31-Dec-23	31-Dec-22		Note	31-Dec-23	31-Dec-22
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	*6.1*		
62,500,000	62,500,000	Class 'A' preference shares		625,000	625,000
37,500,000	37,500,000	Class 'B' preference shares		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

6.1 Rights, preferences and restrictions attaching to preference shares

The preference shares, subject to the provisions of the Companies Act, 2017, carry the following rights, preferences and restrictions:

- Cumulative cash dividends (on an annualized basis) in priority over any dividends on the ordinary shares at 9.5% of par value of Class 'A' preference shares and at 11% of par value of Class 'B' preference shares as and when declared by the Board of Directors of the Company.
- Qualified voting rights to the extent only where the matter relates to any resolution passed, which directly affects any of the rights attached to preference shares.

- First right, before ordinary shareholders, over the assets of the Company on winding up, limited to nominal value of preferences shares outstanding plus unpaid dividend thereon.
- Entitlement to receive notices only for meetings on the matters directly related to preference shares.

7 ISSUED SHARE CAPITAL

31-Dec-23	31-Dec-22		Note	31-Dec-23	31-Dec-22
No. of shares	*No. of shares*			*Rupees '000*	*Rupees '000*
		Ordinary shares			
731,081,721	731,081,721	Issued for cash		7,310,817	7,310,817
		Issued for other than cash:			
137,500	137,500	- against machinery		1,375	1,375
408,273	408,273	- against acquisition of PEL Appliances Limited		4,083	4,083
6,040,820	6,040,820	- against conversion of preference shares		60,408	60,408
118,343,841	118,343,841	- as fully paid bonus shares		1,183,438	1,183,438
856,012,155	856,012,155			8,560,121	8,560,121
		Class 'A' preference shares			
44,957,592	44,957,592	Issued for cash	*7.2*	449,576	449,576
900,969,747	900,969,747			9,009,697	9,009,697

7.1 Reconciliation between ordinary shares in issue as at the beginning and end of the year is as follows:

	31-Dec-23	31-Dec-22
	No. of shares	*No. of shares*
As at beginning of the year	856,012,155	497,681,485
Issue of ordinary shares	-	358,330,670
As at end of the year	856,012,155	856,012,155

7.2 Class 'A' preference shares

7.2.1 Current status of original issue

The Company, in the December 2004, issued Class 'A' preference shares to various institutional investors amounting to Rs. 605 million against authorized share capital of this class amounting to Rs. 625 million. In Januray 2010, the Company sent out notices to all preference shareholders seeking conversion of outstanding preference shares into ordinary shares of the Company in accordance with the option available to the investors under the original terms of the issue. As at the reporting date, the outstanding balance of preference shares amounts to Rs. 449.58 million representing investors who did not opt to convert their holdings into the ordinary shares of the Company. Subsequently, the Company offered re-profiling of preference shares to these remaining investors. (See note 7.2.2).

The Securities and Exchange Commission of Pakistan ['SECP'] issued order to Pakistan Stock Exchange Limited ['the Exchange'] dated 06 February 2009 for delisting of these preference shares. However, the Company took up the matter with the honorable Lahore High Court which, through order dated 10 October 2017, accepted the appeal of Company and set aside the SECP order.

7.2.2 Re-profiling of preference shares

The Company offered re-profiling of preference shares to investors, who did not convert their preference shares into ordinary shares in response to the conversion notices issued by the Company. The investors to the instrument had, in principle, agreed to the re-profiling term sheet and commercial terms and conditions therein. Further, SECP had allowed the Company to proceed with the re-profiling subject to fulfilment of legal requirements. The legal documentation was prepared and circulated amongst the concerned investors which was endorsed by the said investors except for National Bank of Pakistan, as a result of which the original time frame for re-profiling has lapsed. The Company is in the process of finalizing a conversion excercise whereby the outstanding preference shares and accumulated dividend are proposed to be converted into ordinary shares of the Company.

7.2.3 Accumulated preference dividend

As at reporting date, an amount of approximately Rs. 597.938 million (31-Dec-22: Rs. 555.228 million) has been accumulated on account of preference dividend which is payable if and when declared by the Board, to be appropriated out of the distributable profits. In case preference dividend continues to accumulate it would be settled at the time of exercising the redemption or conversion option in accordance with the under process re-profiling/conversion exercise.

As per the opinion of Company's legal counsel, the rate of preference dividend at 9.5% p.a. will prevail, as the approval process of the revised terms of re-profiling/conversion exercise from different quarters is not yet complete.

8 SHARE DEPOSIT MONEY

This represents advance against issue of ordinary shares received from sponsors/shareholders of the Company.

9 SHARE PREMIUM

This represents premium on issue of ordinary shares. The movement during the year is as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
As at beginning of the year		5,610,856	4,279,947
Recognized during the year	*9.1*	-	1,433,324
Expenses incurred on issue	*9.1*	-	(102,415)
As at end of the year		5,610,856	5,610,856

9.1 This represents premium on issue of right ordinary shares recognized under Section 81 of the Companies Act, 2017.

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
10 REVALUATION RESERVE		
As at beginning of the year	4,785,124	5,353,956
Surplus recognized during the year		
Surplus for the year	1,691,998	-
Deferred taxation	(196,295)	-
	1,495,703	-
Incremental depreciation transferred to retained earnings		
Incremental depreciation for the year	(308,598)	(309,188)
Deferred taxation	118,540	99,767
	(190,058)	(209,421)
Surplus transferred to retained earnings on disposal		
Surplus on the assets disposed off	-	(145,889)
Deferred taxation	-	47,075
	-	(98,814)
Deferred tax adjustment		
attributable to changes in proportion of income taxable under final tax regime	(20,665)	(26,376)
attributable to changes in tax rate	(332,815)	(234,221)
As at end of the year	5,737,289	4,785,124

11 REDEEMABLE CAPITAL

These represent profit based debt securities issued to various institutional investors. The details are as follows:

Particulars	31-Dec-23	31-Dec-22	Pricing	Security	Repayment and other arrangements
	Rupees '000	*Rupees '000*			
Shariah compliant instruments					
Sukuks	-	1,500,000	Three months KIBOR plus 1.3% per annum, payable quarterly.	Charge over present and future current assets of the Company and personal guarantees of sponsor directors of the Company.	These were issued to finance long term working capital requirements of the Company. The principal was fully redeemed during the year.
Total	-	1,500,000			
Current matuirty presented under current liabilities	-	(1,500,000)			
	-	-			

12 LONG TERM FINANCES

These represent long term finances utilized under interest/markup/profit arrangements from banking companies and financial institutions. The details are as follows:

Particulars	31-Dec-23	31-Dec-22	Pricing	Security	Repayment and other arrangements
	Rupees '000	*Rupees '000*			
Shariah compliant instruments					
Diminishing Musharakah - I	-	214,286	Three months KIBOR plus 1% per annum (31-Dec-22: Three months KIBOR plus 1% per annum), payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Faysal Bank Limited to finance the balancing modernization and replacement requirements. The principal was originally repayable in fourteen equal quarterly installments commencing from August 2019. However, effective December 2019,the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.Accordingly, the principal repayment after the expiry of deferral period commenced in January 2021.
Diminishing Musharakah - II	200,000	466,667	Three months KIBOR plus 1.5% per annum (31-Dec-22: Three months KIBOR plus 1.5% per annum), payable quarterly.	Charge over present and future fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Faysal Bank Limited to finance long term working capital requirements of the Company and for construction of washing machine unit and warehouse/godown. The principal was originally repayable in fifteen equal quarterly installments commencing from February 2020. However, effective December 2019, the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020. Accordingly, the principal repayment after the expiry of deferral period commenced in January 2021.
	200,000	680,953			
Conventional Instruments					
Term Finance - II	38,799	77,598	Three months KIBOR plus 1.5% per annum (31-Dec-22: Three months KIBOR plus 1.5% per annum), payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from The Bank of Punjab to finance erection of new power transformer manufacturing facility. The principal is repayable in sixteen equal quarterly installments with the first installment due in September 2020.
Term Finance - III	18,750	56,250	Three months KIBOR plus 2% per annum (31-Dec-22: Three months KIBOR plus 2% per annum), payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Pak Oman Investment Company Limited to finance capital expenditure. The principal was originally repayable in sixteen equal quarterly installments commencing from August 2019. However, effective May 2020, the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020. Accordingly, the principal repayment after the expiry of deferral period commenced in June 2021.
Term Finance - IV	500,000	750,000	Three months KIBOR plus 1.5% per annum (31-Dec-22: Three months KIBOR plus 1.5% per annum), payable quarterly.	Charge over operating fixed assets of the Company.	The finance has been obtained from Askari Bank Limited to finance long term working capital requirements of the Company. The principal is repayable in sixteen equal quarterly installments with the first installment due in April 2022.
Term Finance - V	78,125	140,625	Three months KIBOR plus 2.5% per annum (31-Dec-22: Three months KIBOR plus 2.5% per annum), payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Pak Libya Holding Company Limited to build power transformers manufacturing facility. The principal is repayable in sixteen equal quarterly installments with the first installment due in May 2021.
Term Finance - VII	1,125,000	1,500,000	One month KIBOR plus 1.3% per annum (31-Dec-22: One month KIBOR plus 1.3% per annum),	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the	The finance has been obtained from Bank Alfalah Limited to finance long term working capital requirements of the Company. The principal is repayable in sixteen equal quarterly installments with the first installment due in March 2022.

Particulars	31-Dec-23	31-Dec-22	Pricing	Security	Repayment and other arrangements
	Rupees '000	*Rupees '000*			
Term Finance - IX	93,750	168,750	One month KIBOR plus 1.75% per annum (31-Dec-22: One month KIBOR plus 1.75% per annum), payable	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Samba Bank Limited to finance construction of new transformers manufacturing facility. The principal is repayable in sixteen equal quarterly installments with the first installment due in April 2021.
Term Finance - XII	375,000	500,000	Three months KIBOR plus 2.25% per annum (31-Dec-22: Three months KIBOR plus 2.25% per annum), payable	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Saudi Pak Industrial and Agricultural Investment Company Limited to finance capital expenditure. The principal is repayable in sixteen equal quarterly installments with the first installment due in February 2023.
Term Finance - XIII	562,500	812,500	Three months KIBOR plus 1.5% per annum (31-Dec-22: Three months KIBOR plus 1.5% per annum), payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from The Bank of Punjab to finance long term working capital requirements of the Company. The principal is repayable in sixteen equal quarterly installments with the first installment due in March 2022.
Term Finance - XIV	26,667	40,000	Three months KIBOR plus 3% per annum (31-Dec-22: Three months KIBOR plus 3% per annum), payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the Company.	The finance had been obtained from Saudi Pak Industrial and Agricultural Investment Company Limited to finance capital expenditure. The principal is repayable in fifteen equal quarterly installments with the first installment due in June 2022.
Term Finance - XV	375,000	750,000	Three months KIBOR plus 1.75% per annum (31-Dec-22: Three months KIBOR plus 1.75% per annum), payable	Charge over present and future current assets of the Company and personal guarantees of sponsor directors of the Company.	The finance has been obtained from Pak China Investment Company Limited to finance long term working capital requirements of the Company. The principal is repayable in eight equal quarterly installments with the first installment due in March 2023.
Term Finance - XVI	162,500	200,000	Three months KIBOR plus 2% per annum, payable quarterly.	Charge over operating fixed assets of the Company and personal guarantees of sponsor directors of the	The finance has been obtained from Pak Oman Investment Company Limited to finance long term working capital requirements of the Company. The principal is repayable in sixteen equal quarterly installments with the first installment due in May 2023.
	3,356,091	4,995,723			
Total	3,556,091	5,676,676			
Current maturity presented under current liabilities	(1,895,882)	(2,196,017)			
	1,660,209	3,480,659			

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Present value of minimum lease payments	*13.1 & 13.2*	91,792	142,970
Current maturity presented under current liabilities	*13.1 & 13.2*	(57,355)	(70,966)
		34,437	72,004

13 LEASE LIABILITIES

13.1 These represent liabilites against right-of-use assets. The interest rate implicit in lease is three months KIBOR plus 4% (31-Dec-22: three months KIBOR plus 4%) per annum for buildings and offices and ranges from three months to six months KIBOR plus 1.5% to 2.5% (31-Dec-22: three months to six months KIBOR plus 1.5% to 2.5%) per annum, for vehicles and machinery. Lease rentals are payable over a tenor ranging from 2 to 3 years. The Company also has the option to acquire some of these assets [vehicles and machinery] at the end of their respective lease terms by adjusting the deposit amount against the residual value of the asset and intends to exercise the option.

13.2 The amount of future payments under the finance lease arrangements and the period in which these payments will become due are as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Not later than one year		67,838	98,465
Later than one year but not later than five years		37,526	63,185
Total future minimum lease payments		105,364	161,650
Finance charge allocated to future periods		(13,572)	(18,680)
Present value of future minimum lease payments		91,792	142,970
Not later than one year	*19*	(57,355)	(70,966)
Later than one year but not later than five years		34,437	72,004

14 WARRANTY OBLIGATIONS

This represents provision for warranties related to goods sold during the current and previous years.

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Present value of warranty obligations		439,718	516,618
Current maturity presented under current liabilities	*17*	(290,779)	(325,394)
		148,939	191,224

14.1 Movement in warranty obligations

	Note	31-Dec-23	31-Dec-22
As at beginning of the year		516,618	646,882
Amounts charged against the provision		(255,635)	(328,389)
Amount recognized during the year	*38*		
Unwinding of the discount		33,867	26,879
Changes in discount rate		(3,787)	(3,978)
Additions during the year		148,655	175,224
		178,735	198,125
As at end of the year		439,718	516,618

Majority of outflows of economic benefits required to settle the warranty obligations are expected to occur over the next three years. The present value of warranty obligations has been determined using a discount rate of 22.73% (31-Dec-22: 17.71%).

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
15 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	*15.1*	6,037,790	4,809,035
Deferred tax asset on deductible temporary differences	*15.1*	(1,137,143)	(1,546,589)
		4,900,647	3,262,446

15.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31-Dec-23			
	As at 01-Jan-23	Recognized in profit or loss	Recognized in OCI	As at 31-Dec-23
	Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*
Deferred tax liabilities				
Operating fixed assets	4,756,149	693,727	549,775	5,999,651
Right-of-use assets	52,886	(14,747)	-	38,139
	4,809,035	678,980	549,775	6,037,790
Deferred tax assets				
Long term investments	(7,220)	(752)	-	(7,972)
Lease liabilities	(46,469)	11,086	-	(35,383)
Provisions	(352,012)	(68,376)	-	(420,388)
Unused tax losses and credits	(1,140,888)	467,488	-	(673,400)
	(1,546,589)	409,446	-	(1,137,143)
	3,262,446	1,088,426	549,775	4,900,647

	31-Dec-22			
	As at 01-Jan-22	Recognized in profit or loss	Recognized in OCI	As at 31-Dec-22
	Rupees '000	*Rupees '000*	Rupees '000	*Rupees '000*
Deferred tax liabilities				
Operating fixed assets	4,103,815	391,737	260,597	4,756,149
Right-of-use assets	107,823	(54,937)	-	52,886
	4,211,638	336,800	260,597	4,809,035
Deferred tax assets				
Long term investments	(5,150)	(2,070)	-	(7,220)
Lease liabilities	(67,638)	21,169	-	(46,469)
Provisions	(415,072)	63,060	-	(352,012)
Unused tax losses and credits	(1,206,304)	65,416	-	(1,140,888)
	(1,694,164)	147,575	-	(1,546,589)
	2,517,474	484,375	260,597	3,262,446

15.2 Deferred tax arising from timing differences pertaining to income from business is provided for only that portion of timing differences that represent income taxable under normal provisions of the Income Tax Ordinance, 2001 [the 'Ordinance'] as revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 39% (31-Dec-22: 33%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

Deferred tax arising from timing differences pertaining to income from investment in listed equity securities taxable as a separate block under the provisions of the Ordinance, has been calculated at 22.5% (31-Dec-22: 16.5%) of the timing differences based on tax rates notified by the Government of Pakistan for future tax years for such income.

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*

16 DEFERRED INCOME

	Note	31-Dec-23	31-Dec-22
Grant in Aid - UNIDO	*16.1*	28,460	29,958
SBP Refinance Scheme	*16.2*	-	-
		28,460	29,958

16.1 Grant in Aid - UNIDO

	Note	31-Dec-23	31-Dec-22
As at beginning of the year		29,958	31,535
Recognized in profit or loss	*37*	(1,498)	(1,577)
As at end of the year		28,460	29,958

16.1.1 The UNIDO vide its contract number 2000/257 dated 15 December 2000, out of the multilateral fund for the implementation of the Montreal Protocol, has given grant-in-aid to the Company for the purpose of phasing out ODS at the Refrigerator and Chest Freezer Plant of the Company. The total grant-in-aid of USD 1,367,633 (Rs. 91,073,838) comprises the capital cost of the project included in fixed assets amounting to USD 1,185,929 (Rs. 79,338,650) and grant recoverable in cash of USD 181,704 (Rs. 11,735,188) being the incremental operating cost for six months.

The grant received in cash amounting to Rs.11,735,188 was recognized as income in the year of receipt i.e. year ended 30 June 2001. The value of machinery received in grant was capitalized in year 2001 which started its operation in January 2003. The grant amounting to Rs. 1.498 million (31-Dec-22: Rs. 1.577 million) has been included in other income in proportion to depreciation charged on related plant and machinery keeping in view the matching principle.

16.2 SBP Refinance Scheme

The State Bank of Pakistan ['SBP'] through IH&SMEFD circular No. 6 of 2020 dated 10 April 2020, introduced a 'Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concern' ['the Refinance Scheme']. The purpose of the Refinance Scheme was to provide relief to dampen the effects of Covid - 19 by providing loans at interest rates that are below normal lending rates.

The Company obtained financing of Rs. 990.747 million under the Refinance Scheme (see note 12). The benefit of below market interest rates, measured as the diferrence between the fair value of loan on the date of disbursement and its face value on that date was recognised as deferred grant.

The movement during the year is as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
As at beginning of the year		-	16,832
Amortized during the year		-	(16,832)
As at end of the year		-	-
Current maturity presented under current liabilities	*19*	-	-
		-	-

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*

17 TRADE AND OTHER PAYABLES

	Note	31-Dec-23 Rupees '000	31-Dec-22 Rupees '000
Trade creditors		180,846	151,382
Foreign bills payable	*17.1*	1,805,553	120,018
Accrued liabilities		190,671	254,248
Advances from customers		157,913	31,010
Employees' provident fund		20,110	16,822
Warranty obligations	*14*	290,779	325,394
Sales tax payable		311,539	361,133
Workers' Profit Participation Fund	*17.2*	178,225	126,826
Workers' Welfare Fund	*17.3*	80,283	51,830
Other payables		14,128	13,511
		3,230,047	1,452,174

17.1 Foreign bills payable are secured against bills of exchange accepted by the Company in favour of suppliers.

	Note	31-Dec-23 Rupees '000	31-Dec-22 Rupees '000
17.2 Workers' Profit Participation Fund			
As at beginning of the year		126,826	120,223
Interest on funds utilized by the Company	*41*	14,902	9,329
Charged to profit or loss for the year	*40*	178,225	126,826
Paid during the year		(141,728)	(129,552)
As at end of the year		178,225	126,826

17.2.1 Interest on funds utilized by the Company has been recognized at 23.50% (31-Dec-22: 20.21%) per annum.

	Note	31-Dec-23 Rupees '000	31-Dec-22 Rupees '000
17.3 Workers' Welfare Fund			
As at beginning of the year		51,830	45,685
Charged to profit or loss for the year	*40*	67,725	47,385
Paid/adjusted during the year		(39,272)	(41,240)
As at end of the year		80,283	51,830

18 SHORT TERM BORROWINGS

	Note	31-Dec-23 Rupees '000	31-Dec-22 Rupees '000
Secured			
Short term finances utilized under interest/markup/profit arrangements from:			
Banking companies -*Shariah compliant instruments*	*18.1*	1,194,110	2,680,141
Banking companies -*Conventional instruments*	*18.1*	10,650,628	12,602,501
Non Banking Finance Companies ['NBFC's']	*18.2*	249,947	247,610
Unsecured			
Book overdraft	*18.4*	231,325	29,535
		12,326,010	15,559,787

18.1 These facilities have been obtained from various banking companies for working capital requirements and carry interest/markup/profit at rates ranging from one to nine months KIBOR plus 0.5% to 3% per annum (31-Dec-22: one to nine months KIBOR plus 0.5% to 3% per annum). These facilities are secured by pledge/hypothecation of raw material and components, work-in-process, finished goods, imported goods, machinery, spare parts, book debts and personal guarantees of the sponsoring directors of the Company. These facilities are generally for a period of one year and renewed at the end of the period.

18.2 These facilities have been obtained from NBFCs for working capital requirements and carry interest/markup at three months KIBOR plus 2.25% (31-Dec-22: three months KIBOR plus 2.25%) per annum. These facilities are secured by charge over current assets of the Company and personal guarantees of the directors of the Company.

18.3 The aggregate un-availed short term borrowing facilities as at the reporting date amounts to Rs. 8,654 million (31-Dec-22: Rs. 8,485 million).

18.4 This represents cheques issued by the Company in excess of balances at bank which have been presented for payments in the subsequent period.

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
19 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Redeemable capital	*11*	-	1,500,000
Long term finances	*12*	1,895,882	2,196,017
Lease liabilities	*13*	57,355	70,966
		1,953,237	3,766,983

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 The following guarantees and bonds are outstanding as at the reporting date:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
Tender bonds	508,406	337,676
Performance bonds	4,372,814	4,091,348
Advance guarantees	222,635	246,837
Custom guarantees	78,292	78,606
Foreign guarantees	9,137	11,704

20.1.2 The Company may have to indemnify its Directors for any losses that may arise due to personal guarantees given by them for securing the debts of the Company, in case the Company defaults.

20.1.3 The Company's case was selected for audit under section 177 of the Income Tax Ordinance ['the Ordinance'] for tax years 2016, 2017 and 2018. Notices to call for record/documents/books of account under section 177(1) of the Ordinance were issued by the Additional Commissioner Inland Revenue ['ACIR'] on 07 July 2021. The requisite information has been submitted by the Company and the proceedings are in progress.

20.1.4 In respect of tax year 2018, ACIR issued a notice to amend assessment under section 122(9) on 11 April 2019 whereby the ACIR raised observations related to proration of expenses, claims for tax credits, taxability of grant in aid and allowability of various expenses. The Company responded to this notice vide letter dated 06 May 2019 wherein submissions regarding ACIR's observations were made. The proceedings were completed and an order to amend original assessment dated 31 May 2019 was issued by the ACIR under section 122(5A) wherein additions of Rs. 148.91 million were made to the taxable income and tax credits amounting to Rs. 1.24 million were disallowed resulting in additional income tax and WWF aggregating to Rs. 100.41 million. The Company appealed against the ACIR's order before

Commissioner Inland Revenue (Appeals) ['CIR(A)'] vide application dated 24 June 2019. The CIR(A) vide appellate order dated 23 September 2021 deleted additions amounting to Rs. 64.484 million while the additions amounting to Rs. 84.43 million and disallowance of tax credit of Rs. 1.24 million under section 65B were maintained by the CIR(A). The Company appealed against the order of CIR(A) before Appellate Tribunal Inland Revenue ['ATIR'] vide application dated 22 October 2021. The proceedings are in progress at this stage no further liability is expected.

20.1.5 In respect of tax year 2019, ACIR issued a notice to amend assessment under section 122(9) on 17 March 2020 whereby the ACIR raised observations related to proration of expenses, claims for tax credits, taxability of grant in aid and allowability of various expenses. The Company responded to this notice vide letter dated 23 April 2020 wherein submissions regarding ACIR's observations were made. The proceedings were completed and an order to amend original assessment dated 05 May 2020 was issued by the ACIR under section 122(5A) wherein a demand of Rs. 70.07 million was created by adding Rs. 156.63 million to the taxable income and disallowing tax credit of Rs. 22.79 million. The Company appealed against the ACIR's order before CIR(A) vide application dated 05 June 2020. The CIR(A) vide appellate order dated 10 November 2021 set aside matters related to tax credit of Rs. 22.79 million and additions of Rs. 90.9 million back to the ACIR for verification while the additions of Rs. 65.73 million on account of proration of expenses under section 67 of the Ordinance was maintained by the CIR(A). The Company appealed against the order of CIR(A) before ATIR vide application dated 23 November 2021. The proceedings are in progress and at this stage no further liability is expected.

20.1.6 In respect of tax year 2020, ACIR issued a notice to amend assessment under section 122(9) on 31 January 2022 whereby the ACIR raised observations related to proration of expenses, claims for tax credits, taxability of grant in aid and allowability of various expenses. The Company responded to this notice vide letter dated 15 March 2022 wherein submissions regarding ACIR's observations were made. The proceedings are in progress and department order is awaited. The routine add backs if any made by the department, will be challenged at next forum and at this stage no further liability is expected.

		31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
20.2	Commitments		
20.2.1	Commitments under irrevocable letters of credit for import of stores, spare parts and raw material	6,440,111	2,349,892
20.2.2	Commitments for capital expenditure	1,054,053	977,286

20.2.3 Commitments under ijarah contracts

The aggregate amount of ujrah payments for ijarah financing and the period in which these payments will become due are as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
- payments not later than one year	230,931	234,981
- payments later than one year	229,045	274,858
	459,976	509,839

20.2.4 Commitments under short term leases

The Company has rented various premises under short term lease arrangements. Lease agreements cover a period of one year and are renewable/extendable on mutual consent. Lease rentals are payable monthly/quarterly in advance. Commitments for payments in future periods under these lease agreements are as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
- payments not later than one year	-	38,399
- payments later than one year	-	-
	-	38,399

21 PROPERTY, PLANT AND EQUIPMENT

	31-Dec-23													
	COST / REVALUED AMOUNT							DEPRECIATION					Net book value as at
	As at 01-Jan-23	Additions	Revaluation	Disposals	Transfers	As at 31-Dec-23	Rate	As at 01-Jan-23	For the year	Revaluation	Adjustment	As at 31-Dec-23	31-Dec-23
	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000	%	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000
Operating fixed assets													
Land	1,097,157	-	1,188,678	-	-	2,285,835	-	-	-	-	-	-	2,285,835
Buildings	9,530,714	48,690	379,523	-	1,187,756	11,146,683	5	3,223,399	325,996	125,110	-	3,674,505	7,472,178
Plant and machinery	25,919,103	72,850	440,098	-	757,422	27,189,473	5	10,859,300	761,399	191,191	-	11,811,890	15,377,583
Office equipment and fixtures	201,026	27,364	-	(238)	-	228,152	10	81,975	13,869	-	(143)	95,701	132,451
Computer hardware and allied items	244,899	38,574	-	(4,671)	-	278,802	33.33	185,945	39,914	-	(4,123)	221,736	57,066
Vehicles	256,426	8,824	-	(71,488)	52,148	245,910	20	151,434	19,502	-	(9,432)	161,504	84,406
	37,249,325	196,302	2,008,299	(76,397)	1,997,326	41,374,855		14,502,053	1,160,680	316,301	(13,698)	15,965,336	25,409,519
Right-of-use assets													
Buildings	314,784	43,891	-	(123,076)	-	235,599	20-50	186,181	79,482	-	(123,076)	142,587	93,012
Plant and machinery	-	-	-	-	-	-	5	-	-	-	-	-	-
Vehicles	65,427	-	-	-	(52,148)	13,279	20	31,318	4,886	-	(28,857)	7,347	5,932
	380,211	43,891	-	(123,076)	(52,148)	248,878		217,499	84,368	-	(151,933)	149,934	98,944
Capital work in progress													
Buildings	1,701,637	1,820,950	-	-	(1,187,756)	2,334,831		-	-	-	-	-	2,334,831
Plant and machinery	936,748	141,373	-	-	(757,422)	320,699		-	-	-	-	-	320,699
	2,638,385	1,962,323	-	-	(1,945,178)	2,655,530		-	-	-	-	-	2,655,530
	40,267,921	2,202,516	2,008,299	(199,473)	-	44,279,263		14,719,552	1,245,048	316,301	(165,631)	16,115,270	28,163,993

	31-Dec-22												
	COST / REVALUED AMOUNT							DEPRECIATION					Net book
	As at 01-Jan-22	Additions	Revaluation	Disposals	Transfers	As at 31-Dec-22	Rate	As at 01-Jan-22	For the year	Revaluation	Adjustment	As at 31-Dec-22	value as at 31-Dec-22
	Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	%	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
Operating fixed assets													
Land	1,035,256	61,901	-	-	-	1,097,157	-	-	-	-	-	-	1,097,157
Buildings	9,510,629	20,085	-	-	-	9,530,714	5	2,892,343	331,056	-	-	3,223,399	6,307,315
Plant and machinery	24,965,592	920,829	-	(197,347)	230,029	25,919,103	5	10,087,511	761,023	-	10,766	10,859,300	15,059,803
Office equipment and fixtures	174,539	29,031	-	(2,544)	-	201,026	10	72,452	11,205	-	(1,682)	81,975	119,051
Computer hardware and allied items	214,113	36,360	-	(5,574)	-	244,899	33.33	154,640	36,791	-	(5,486)	185,945	58,954
Vehicles	260,262	37,991	-	(103,445)	61,618	256,426	20	149,235	20,220	-	(18,021)	151,434	104,992
	36,160,391	1,106,197	-	(308,910)	291,647	37,249,325		13,356,181	1,160,295	-	(14,423)	14,502,053	22,747,272
Right-of-use assets													
Buildings	251,629	80,711	-	(17,556)	-	314,784	20-50	113,214	90,523	-	(17,556)	186,181	128,603
Plant and machinery	187,180	-	-	-	(187,180)	-	5	24,542	7,454	-	(31,996)	-	-
Vehicles	127,045	-	-	-	(61,618)	65,427	20	47,856	15,134	-	(31,672)	31,318	34,109
	565,854	80,711	-	(17,556)	(248,798)	380,211		185,612	113,111	-	(81,224)	217,499	162,712
Capital work in progress													
Buildings	503,488	1,198,149	-	-	-	1,701,637		-	-	-	-	-	1,701,637
Plant and machinery	140,105	839,492	-	-	(42,849)	936,748		-	-	-	-	-	936,748
	643,593	2,037,641	-	-	(42,849)	2,638,385		-	-	-	-	-	2,638,385
	37,369,838	3,224,549	-	(326,466)	-	40,267,921		13,541,793	1,273,406	-	(95,647)	14,719,552	25,548,369

21.1 Property, plant and equipment includes fully depreciated assets of Rs. 161.436 million (31-Dec-22: Rs. 133.55 million) which are still in use of the Company. There is no item of property, plant and equipment which is temporary idle or otherwise retired from active use.

21.2 Land includes:

(i)511 Kanals located at Mouza Kot Islampura, 34 - K.M, Ferozepur Road, Lahore.
(ii)224 Kanals located at Mouza Amar Siddhu, 14 - K.M, Ferozepur Road, Lahore.
(iii)80 Kanals located at 302-303 Gadoon Industrial Area, Gadoon Amazai.
(iv)2 Kanals located at Chak No. 439/E.B, Burewala, Vehari.

21.3 Additions to capital work in progress include borrowing cost amounting to Rs. 69.414 million (31-Dec-22: Rs. 62.481 million) included in cost of buildings and Rs. 23.443 million (31-Dec-22: Rs. 72.34 million) included in cost of plant and machinery at a capitalization rate of 22.90% (31-Dec-22: 13.88%). The capital expenditure has been financed by long term debt.

21.4 Disposal of operating fixed assets

Particulars	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	31-Dec-23						
	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000		
Office equipment and fixtures							
Assets having net book value less than Rs. 500,000 each	238	143	95	89	(6)	Negotiation	Various buyers
Computer hardware and allied items							
Assets having net book value less than Rs. 500,000 each	4,671	4,123	548	722	174	Company policy	Various employees
Vehicles							
Audi 1.2	6,000	3,373	2,627	1,833	(794)	Company policy	Abdul Waheed Butt (*employee*), Lahore.
Honda BRV	2,739	868	1,871	1,635	(236)	Company policy	Mansoor Zaman (*employee*), Lahore.
Toyota Yaris	3,033	1,375	1,658	1,616	(42)	Company policy	M.Amjad Raza (*employee*), Lahore.
Honda BRV	3,305	1,719	1,586	947	(639)	Company policy	Tahir Arshad (*employee*), Lahore.
Toyota Passo	1,640	288	1,352	575	(777)	Company policy	Aamir Anwar (*employee*), Lahore.
Honda BRV	2,042	723	1,319	1,416	97	Company policy	Masood Ahmed Nasir (*employee*), Lahore.
Honda City	2,395	1,176	1,219	1,743	524	Company policy	Syed Hasnain Shah (*employee*), Lahore.
Honda Civic Oriel	2,988	1,805	1,183	583	(600)	Company policy	Iftikhar (*employee*), Lahore.
Corolla Gli	1,700	539	1,161	950	(211)	Company policy	Irshad Khan (*employee*), Lahore.
Suzuki Cultus	2,030	921	1,109	1,244	135	Company policy	Abid Hussain (*employee*), Lahore.
Suzuki Cultus	1,985	1,012	973	715	(258)	Company policy	Usman Anwar (*employee*), Lahore.
Toyota Corolla Gli	2,331	1,392	939	915	(24)	Company policy	Iftikhar (*employee*), Lahore.
Honda BRV	2,388	1,475	913	391	(522)	Company policy	Shoaib (*employee*), Lahore.
Suzuki Cultus	1,865	986	879	1,080	201	Company policy	Raza Nabi (*employee*), Lahore.
Honda Civic	2,254	1,520	734	1,205	471	Company policy	Azam Aziz (*employee*), Lahore.
Corolla Altis	1,856	1,134	722	740	18	Company policy	Amer (*employee*), Lahore.
Honda City	784	65	719	706	(13)	Company policy	Arshad Ali (*employee*), Lahore.
Suzuki Alto	1,398	687	711	893	182	Company policy	Umer Hayat Bajwa (*employee*), Lahore.
Suzuki Alto	1,398	700	698	401	(297)	Company policy	Akbar Mashood Khan (*employee*), Lahore.
Suzuki Swift	1,651	997	654	720	66	Company policy	Adnan (*employee*), Lahore.
Honda Civic	2,203	1,574	629	806	177	Company policy	Umer Saleemi (*employee*), Lahore.
Toyota Corolla Gli	1,634	1,063	571	480	(91)	Company policy	Asif (*employee*), Lahore.
Assets having net book value less than Rs. 500,000 each	21,869	12,897	8,972	26,680	17,708	Company policy/Negotiation	Various employees/buyers
	71,488	38,289	33,199	48,274	15,075		
	76,397	42,555	33,842	49,085	15,243		

Particulars	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	31-Dec-22						
	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000		
Plant and Machinery							
Conveyor for Foaming	63,077	-	63,077	61,065	(2,012)	Negotiation	Orix Modaraba.
Drum Type Door	33,476	-	33,476	33,713	237	Negotiation	Orix Modaraba.
3 Station Foaming	45,098	-	45,098	45,133	35	Negotiation	Orix Modaraba.
Vacum Pump	2,006	1,017	989	40	(949)	Negotiation	Liaqat Ali, Kasur.
Current Voltage Meter	1,487	754	733	30	(703)	Negotiation	Liaqat Ali, Kasur.
Fin Folding Line	19,754	7,250	12,504	2,005	(10,499)	Negotiation	Liaqat Ali, Kasur.
Fin Folding Line	14,949	5,486	9,463	2,000	(7,463)	Negotiation	Liaqat Ali, Kasur.
Fin Folding Line	14,949	5,486	9,463	1,911	(7,552)	Negotiation	Liaqat Ali, Kasur.
Assets having net book value			-		-		
less than Rs. 500,000 each	2,551	1,237	1,314	310	(1,004)	Negotiation	Liaqat Ali, Kasur.
	197,347	21,230	176,117	146,207	(29,910)		
Office equipment and fixtures							
Assets having net book value	-	-	-	-	-		
less than Rs. 500,000 each	2,544	1,682	862	595	(267)	Negotiation	Various buyers
	2,544	1,682	862	595	(267)		
Computer hardware and allied items							
Assets having net book value	-	-	-	-	-		
less than Rs. 500,000 each	5,574	5,486	88	712	624	Negotiation	Various buyers
	5,574	5,486	88	712	624		
Vehicles							
Hyundai Tucson	5,481	548	4,933	5,714	781	Negotiation	First Habib Modaraba.
Kia Sportage	5,106	255	4,851	6,107	1,256	Negotiation	First Habib Modaraba.
Kia Sportage	4,979	166	4,813	5,925	1,112	Negotiation	First Habib Modaraba.
MG HS	5,485	990	4,495	5,485	990	Negotiation	First Habib Modaraba.
Hyundai Tucson	4,798	480	4,318	5,714	1,396	Negotiation	First Habib Modaraba.
MG HS	4,688	912	3,776	5,485	1,709	Negotiation	First Habib Modaraba.
Toyota Yaris	2,266	189	2,077	2,701	624	Negotiation	First Habib Modaraba.
Toyota Corolla	2,015	831	1,184	907	(277)	Company policy	Irshad Khan (employee), Lahore.
Suzuki Bolan	1,180	39	1,141	1,336	195	Negotiation	First Habib Modaraba
Honda Civic	2,712	1,763	949	858	(91)	Company policy	Faisal Kaba (employee), Lahore.
Toyota Corolla	1,928	983	945	711	(234)	Company policy	Rohan Zafar Hashmi (employee), Lahore.
Honda Civic	2,203	1,375	828	724	(104)	Company policy	Nasir Paul (employee), Lahore.
Toyota Corolla	2,487	1,677	810	951	141	Company policy	Muhammad Imran (employee), Lahore.
Toyota Corolla	2,172	1,398	774	535	(239)	Company policy	Qaiser (employee), Lahore.
Honda Civic	2,203	1,515	688	567	(121)	Company policy	Jalil ur Rehman (employee), Lahore.
Toyota Corolla	1,724	1,098	626	541	(85)	Company policy	Javed Iqbal (employee), Lahore.
Toyota Corolla	1,609	1,035	574	547	(27)	Company policy	Umar Shahzad (employee), Lahore.
Honda City	1,693	1,134	559	583	24	Company policy	M. Waseem Mir (employee), Lahore.
Toyota Corolla	1,724	1,166	558	627	69	Company policy	Farooq (employee), Lahore.
Toyota Corolla	1,724	1,186	538	682	144	Company policy	Nauman (employee), Lahore.
Toyota Corolla	1,609	1,086	523	629	106	Company policy	M. Nasir Paul (employee), Lahore.
Honda City	1,434	922	512	330	(182)	Company policy	Shahzad Safder (employee), Lahore.
Assets having net book value					-		
less than Rs. 500,000 each	42,225	28,945	13,280	42,857	29,577	Company policy/Negotiation	Various employees/buyers
	103,445	49,693	53,752	90,516	36,764		
	308,910	78,091	230,819	238,030	7,211		

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
21.5 The depreciation charge for the year has been allocated as follows:			
Cost of sales	*36*	1,174,925	1,201,723
Selling and distribution expenses	*38*	21,737	24,019
Administrative expenses	*39*	48,386	47,664
		1,245,048	1,273,406

21.6 Revaluation of property, plant and equipment

Most recent valuation of land, building and plant and machinery was carried out by an independent valuer, Joseph Lobo (Private) Limited, on 31 December 2023 and was incorporated in the financial statements for the year ended 31 December 2023. For basis of valuation and other fair value measurement disclosures refer to note 51.

Had there been no revaluation, the cost, accumulated depreciation and net book value of revalued items would have been as follows:

	31-Dec-23		
	Cost	Accumulated depreciation	Net book value
	Rupees '000	*Rupees '000*	*Rupees '000*
Land	251,085	-	251,085
Building	8,456,028	2,336,223	6,119,805
Plant and machinery	16,021,464	5,341,745	10,679,719

	31-Dec-22		
	Cost	Accumulated depreciation	Net book value
	Rupees '000	Rupees '000	*Rupees '000*
Land	251,085	-	251,085
Building	7,219,582	2,078,434	5,141,148
Plant and machinery	15,191,192	4,820,737	10,370,455

21.6.1 As per most recent valuation, forced sale values of land, building and plant and machinery (excluding additions after the date of revaluation) are as follows:

	Rupees '000
Land	1,942,960
Building	6,351,351
Plant and machinery	12,302,067
	20,596,378

22 INTANGIBLE ASSETS

	Note	31-Dec-23								
		Cost				Accumulated Amortization				Net book value as at 31-Dec-23
		As at 01-Jan-23	Additions	Written-off	As at 31-Dec-23	As at 01-Jan-23	For the period	Adjustment	As at 31-Dec-23	
		Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
Technology transfer agreement	*22.1*	115,495	-	-	115,495	55,857	2,982	-	58,839	56,656
Goodwill	*22.2*	312,341	-	-	312,341	91,859	-	-	91,859	220,482
Software	*22.3*	22,318	1,306	-	23,624	18,019	1,606	-	19,625	3,999
ERP system	*22.4*	31,675	-	-	31,675	29,940	573	-	30,513	1,162
		481,829	1,306	-	483,135	195,675	5,161	-	200,836	282,299

		31-Dec-22								
		Cost				Accumulated Amortization				Net book value as at 31-Dec-22
		As at 01-Jan-22	Additions	Written-off	As at 31-Dec-22	As at 01-Jan-22	For the period	Adjustment	As at 31-Dec-22	
		Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
Technology transfer agreement	*22.1*	117,054	-	(1,559)	115,495	53,466	3,153	(762)	55,857	59,638
Goodwill	*22.2*	312,341	-	-	312,341	91,859	-	-	91,859	220,482
Software	*22.3*	20,808	1,510	-	22,318	16,488	1,531	-	18,019	4,299
ERP system	*22.4*	31,675	-	-	31,675	29,085	855	-	29,940	1,735
		481,878	1,510	(1,559)	481,829	190,898	5,539	(762)	195,675	286,154

22.1 The Company has obtained technology of single phase meters, three phase digital meters and also of power transformers from different foreign companies. These are amortized at the same rate as of the depreciation of the relevant plant.

22.2 Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired at the time of acquisition of PEL Appliances Limited.

22.3 The Company has acquired different software for its business purpose. These are being amortized at 33% per annum on reducing balance method.

22.4 These are being amortized at 33% per annum on reducing balance method.

23 LONG TERM INVESTMENTS

These represent investments in ordinary shares of related parties. The details are as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Kohinoor Power Company Limited - *Quoted*			
2,910,600 (31-Dec-22: 2,910,600) ordinary shares of Rs. 10 each	*23.1*	19,268	10,944
Relationship: *associate*			
Ownership Interest: *23.1% (31-Dec-22: 23.1%)*			
Market value: *Rs. 6.62 (31-Dec-22: Rs. 3.76) per share*			
		19,268	10,944

23.1 This represents investment in ordinary shares of Kohinoor Power Company Limited ['KPCL'], an associate. KPCL is a Public Limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. KPCL was formed with the objective of generation and sale of electric power. Subsequently, it amended its memorandum of association to change its principal activity to leasing out machinery and buildings under operating lease arrangements. Registered office of KPCL is situated in the Province of Punjab at 17-Aziz Avenue, Canal Bank, Gulberg V, Lahore.

The investment has been accounted for by using equity method. Particulars of investment are as follows:

	31-Dec-23	31-Dec-22
Percentage of ownership interest	23.10%	23.10%

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
Cost of investment	54,701	54,701
Share of post acquisition losses	(14,978)	(15,161)
	39,723	39,540
Accumulated impairment	(20,455)	(28,596)
	19,268	10,944

23.1.1 Extracts of financial statements of associated company

The assets and liabilities of Kohinoor Power Company Limited as at the reporting date and related revenue and profit for the year then ended based on the un-audited financial statements are as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Non-current assets		80,343	84,871
Current assets		51,999	45,060
Non-current liabilities		-	-
Current liabilities		2,938	1,318
Revenue		17,103	17,719
Profit/(loss) for the year		792	(1,671)
Other comprehensive income		-	-
Total comprehensive income/(loss)		792	(1,671)
Break-up value per share		0.01	0.01
Share of loss and other adjustments to net assets	*23.1.2*	183	(386)
Market value per share		6.62	3.76

23.1.2 This includes the following:

Share of profit/(loss) for the year		183	(386)
Share of other comprehensive income for the year		-	-
		183	(386)

24 LONG TERM DEPOSITS

	Note	31-Dec-23	31-Dec-22
Financial institutions	*24.1*	101,115	102,626
Utility companies and regulatory authorities	*24.2*	188,723	176,998
Suppliers	*24.3*	325,081	228,429
		614,919	508,053

24.1 These represent security deposits against Ijarah arrangements.

24.2 These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost.

24.3 These have been deposited with various suppliers under various contracts and are refundable on termination of contracts. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, due to uncertainties regarding dates of refund of these deposits, these have been carried at cost.

25 LONG TERM ADVANCES

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Face value of advances		3,539,033	3,551,042
Less: unamortized notional interest	*25.2*	1,026,092	857,275
		2,512,941	2,693,767
Current portion presented under current assets	*30*	(1,910,020)	(1,707,522)
		602,921	986,245

25.1 These advances have been made to various dealers. These are classified as 'financial assets at amortized cost' under IFRS 9 which are measured at amortized cost determined using a discount rate of 22.73% (31-Dec-22: 17.71%).

		Note	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
25.2	Unamortized notional interest			
	As at beginning of the year		857,275	485,698
	Recognized during the year	*38.2*	516,111	698,370
	Amortization for the year	*38.2*	(347,294)	(326,793)
	As at end of the year		1,026,092	857,275
26	STORES, SPARES AND LOOSE TOOLS			
	Stores		351,865	338,902
	Spares		441,838	408,923
	Loose tools		105,393	122,859
			899,096	870,684
	Impairment allowance for slow moving and obsolete items		(13,619)	(13,619)
			885,477	857,065

26.1 There are no spare parts held exclusively for capitalization as at the reporting date.

		31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
27	STOCK IN TRADE		
	Raw material		
	- in stores	5,512,577	6,560,140
	- in transit	2,183,386	2,340,800
	Write-down to net realisable value	(34,310)	(32,344)
		7,661,653	8,868,596
	Work in process	1,403,957	1,417,998
	Finished goods	2,638,968	3,556,970
	Write-down to net realisable value	(17,302)	(18,124)
		2,621,666	3,538,846
		11,687,276	13,825,440

27.1 Stock in trade valued at Rs. 1,179.247 million (31-Dec-22: Rs. 1,082.434 million) is pledged as security with providers of debt finances.

		Note	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
28	TRADE RECEIVABLES			
	Gross amount due			
	- against sale of goods	*28.1*	13,821,718	14,919,159
	- against execution of construction contracts	*28.2*	987,319	1,173,168
			14,809,037	16,092,327
	Impairment allowance for expected credit loss	*28.3*	(496,053)	(411,289)
			14,312,984	15,681,038

28.1 These include amount due against export sales amounting to Rs. 435.079 million (31-Dec-22: Rs. 464.890 million). The remaining balance of trade receivables is recoverable against local sales.

28.2 These include retention money for construction contracts in progress amounting to Rs. 283.090 million (31-Dec-22: Rs. 426.743 million) held by the customers in accordance with contract terms.

		Note	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
28.3	Movement in impairment allowance for expected credit loss			
	As at beginning of the year		411,289	653,164
	Recognized during the year	*50.1.6*	380,624	80,630
	Reversed during the year	*50.1.6*	(295,860)	(322,505)
	As at end of the year		496,053	411,289

28.3.1 The increase in impairment allowance for expected credit losses is due to significant increase in credit risk associated with trade receivables since initial recognition. The loss allowance represents lifetime expected credit losses for trade receivables being financial assets that arise from contracts with customers.

29 CONSTRUCTION WORK IN PROGRESS

This represents unbilled construction work in progress.

		Note	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
30	SHORT TERM ADVANCES			
	Advances to suppliers and contractors			
	Gross amount due		714,646	721,827
	Impairment allowance for doubtful advances		(37,558)	(38,990)
			677,088	682,837
	Advances to employees			
	Gross amount due	*30.1*	809,409	698,448
	Impairment allowance for doubtful advances		(1,449)	(1,449)
			807,960	696,999
	Current maturity of long term advances	*25*	1,910,020	1,707,522
			3,395,068	3,087,358

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*

30.1 These include advances for:

- purchases	254,634	228,625
- expenses	291,106	211,903
- travelling	263,669	257,920
	809,409	698,448

31 SHORT TERM DEPOSITS AND PREPAYMENTS

	31-Dec-23	31-Dec-22
Security deposits		
Gross amount due	370,931	568,754
Impairment allowance for expected credit losses	(5,379)	(5,379)
	365,552	563,375
Margin deposits	631,122	313,299
Prepayments	72,002	67,785
Letters of credit	382,964	463,053
	1,451,640	1,407,512

32 SHORT TERM INVESTMENTS

These represent investments in listed equity securities mandatorily classified as 'financial assets at fair value through profit or loss'. The details are as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Standard Chartered Bank (Pakistan) Limited			
915,070 (31-Dec-22: 915,070) ordinary shares of Rs. 10 each Market value: *Rs. 35.45 (31-Dec-22: Rs. 19.80) per share*			
As at beginning of the year		18,118	33,382
Changes in fair value	*37 & 40*	14,321	(15,264)
As at end of the year		32,439	18,118

33 ADVANCE INCOME TAX/INCOME TAX REFUNDABLE

	Note	31-Dec-23	31-Dec-22
Advance income tax/income tax refundable		4,116,389	4,044,967
Provision for taxation	*42*	(890,310)	(757,633)
		3,226,079	3,287,334

34 CASH AND BANK BALANCES

	31-Dec-23	31-Dec-22
Cash in hand	13,290	11,553
Cash at banks - *current accounts - local currency*	770,826	784,528
	784,116	796,081

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
35 NET REVENUE			
Sale of goods			
- local		47,816,354	64,713,436
- exports		481,317	663,691
		48,297,671	65,377,127
Construction contracts		26,334	651,113
		48,324,005	66,028,240
Sales tax and excise duty		(7,292,500)	(9,462,475)
Trade discounts		(2,346,393)	(4,179,587)
		38,685,112	52,386,178
36 COST OF SALES			
Finished goods at the beginning of the year		3,538,846	2,750,009
Cost of goods manufactured	*36.1*	26,638,604	42,285,444
Finished goods at the end of the year		(2,621,666)	(3,538,846)
Cost of goods sold		27,555,784	41,496,607
Cost of construction contracts		25,698	588,085
		27,581,482	42,084,692
36.1 Cost of goods manufactured			
Work-in-process at beginning of the year		1,417,998	2,027,690
Raw material and components consumed		22,486,098	37,552,126
Direct wages		1,028,133	1,133,527
Factory overheads:			
- salaries, wages and benefits		566,012	549,760
- traveling and conveyance		28,330	27,129
- electricity, gas and water		734,180	671,388
- repairs and maintenance		151,631	91,821
- vehicles running and maintenance		62,307	42,045
- insurance		79,261	70,160
- depreciation	*21.5*	1,174,925	1,201,723
- amortization of intangible assets	*22*	5,161	5,539
- impairment allowance/(reversal) for obsolete and slow moving stock	*27 & 28*	1,144	(18,618)
- carriage and freight		36,006	38,817
- erection and testing		214,579	248,606
- research and development		22,279	26,451
- other factory overheads		34,517	35,278
		3,110,332	2,990,099
		28,042,561	43,703,442
Work-in-process at end of the year		(1,403,957)	(1,417,998)
		26,638,604	42,285,444

36.2 These include charge in respect of employees retirement benefits amounting to Rs. 46.688 million (31-Dec-22: Rs. 42.358 million).

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*

37 OTHER INCOME

	Note	31-Dec-23	31-Dec-22
Gain on financial instruments			
Changes in fair value of short term investments mandatorily classified as at FVTPL		14,321	-
Reversal of impairment allowance of long term investment		8,141	-
Foreign exchange gain		51,003	48,584
		73,465	48,584
Other income			
Amortization of grant-in-aid	*16.1*	1,498	1,577
Gain on disposal of property, plant and equipment	*21.4*	15,243	7,211
Miscellaneous		13,682	20,880
		30,423	29,668
		103,888	78,252

38 SELLING AND DISTRIBUTION EXPENSES

	Note	31-Dec-23	31-Dec-22
Salaries and benefits	*38.1*	439,633	683,718
Traveling and conveyance		63,984	141,530
Rent, rates and taxes		44,637	56,926
Electricity, gas, fuel and water		19,193	22,052
Repairs and maintenance		17,607	19,115
Vehicles running and maintenance		52,244	114,956
Printing and stationery		14,277	13,221
Postage, telegrams and telephones		28,097	29,763
Entertainment and staff welfare		52,643	65,345
Advertisement and sales promotion		134,517	380,003
Insurance		19,144	29,234
Freight and forwarding		356,526	697,927
Contract and tendering		5,543	4,233
Depreciation		21,737	24,019
Warranty period services	*14.1*	178,735	198,125
Others	*38.2*	394,421	501,850
		1,842,938	2,982,017

38.1 These include charge in respect of employees retirement benefits amounting to Rs. 18.308 million (31-Dec-22: Rs. 18.207 million).

38.2 These include notional interest expense amounting to Rs. 168.817 million (31-Dec-22: Rs. 371.577 million) on long term advances. (See note 25.2).

	Note	31-Dec-23	31-Dec-22
		Rupees '000	Rupees '000

39 ADMINISTRATIVE EXPENSES

	Note	31-Dec-23	31-Dec-22
Salaries and benefits	39.1	937,291	953,378
Traveling and conveyance		95,261	97,182
Rent, rates and taxes		91,707	110,308
Ujrah payments		262,629	194,019
Legal and professional		153,296	151,212
Electricity, gas and water		96,107	79,851
Auditor's remuneration	39.2	7,400	6,450
Repairs and maintenance		79,955	66,681
Vehicles running and maintenance		56,286	47,734
Printing, stationery and periodicals		13,803	12,902
Postage, telegrams and telephones		25,336	14,233
Entertainment and staff welfare		178,455	175,760
Advertisement		10,432	11,539
Insurance		14,641	17,540
Depreciation	21.5	48,386	47,664
Others		3,807	4,105
		2,074,792	1,990,558

39.1 These include charge in respect of employees retirement benefits amounting to Rs. 28.572 million (31-Dec-22: Rs. 29.65 million).

	Note	31-Dec-23	31-Dec-22
		Rupees '000	Rupees '000
39.2 Auditor's remuneration			
Annual statutory audit		5,250	4,500
Limited scope review		1,200	1,000
Review report under corporate governance		600	600
Out of pocket expenses		350	350
		7,400	6,450

40 OTHER EXPENSES

	Note	31-Dec-23	31-Dec-22
Loss on financial instruments			
Changes in fair value of short term investments mandatorily classified as at FVTPL	32	-	15,264
Impairment allowance on long term investment	23.1	-	2,175
		-	17,439
Other expenses			
Intangible assets written-off	22	-	797
Workers' Profit Participation Fund	17.2	178,225	126,826
Workers' Welfare Fund	17.3	67,725	51,830
Donations	40.1 & 40.2	6,246	13,532
Miscellaneous		533	-
		252,729	192,985
		252,729	210,424

40.1 Particulars of donees to whom donations exceed Rs. 1,000,000 or 10% of total amount of donation, whichever is higher are as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
SOS Children's Villages Pakistan		1,240	10,000
Anjuman Behboodi-e-Marizan Lahore General hospital		1,500	1,450
NUST Scholarship Grant		2,200	-
		4,940	11,450

40.2 None of the directors or their spouses had any interest in the donee.

41 FINANCE COST

	Note	31-Dec-23	31-Dec-22
Interest/markup/profit on borrowings:			
redeemable capital		30,814	215,327
long term finances		950,386	844,242
short term borrowings		2,507,145	1,876,602
		3,488,345	2,936,171
Interest on lease liabilities		20,147	10,280
Interest on Workers' Profit Participation Fund	*17.2*	14,902	9,329
Bank charges and commission		125,259	134,295
		3,648,653	3,090,075

42 TAXATION

	Note	31-Dec-23	31-Dec-22
Provision for taxation			
for current year	*33 & 42.1*	890,310	757,633
for prior years		-	38,678
		890,310	796,311
Deferred taxation			
adjustment attributable to origination and reversal of temporary differences		820,932	205,909
adjustment attributable to changes in tax rates	*15.1*	267,494	278,466
		1,088,426	484,375
		1,978,736	1,280,686

42.1 Provision for current tax has been made in accordance with section 4C, 113C and 154 (31-Dec-22: section 4C, 113 and 154) of the Income Tax Ordinance, 2001 ['the Ordinance']. There is no relationship between the aggregate tax expense and accounting profit and accordingly, no numerical reconciliation has been presented. According to management, the provision for current taxation made in the financial statements is sufficient to discharge tax liability.

A comparison of last three years of provision for current taxation with tax assessed is presented below:

	31-Dec-22	31-Dec-21	31-Dec-20
	Rupees '000	*Rupees '000*	*Rupees '000*
Provision for current taxation as per financial statements	757,633	578,653	315,835
Tax assessment under section 120 of the Ordinance	757,633	617,331	242,791

42.2 The income tax assessments of the Company up to and including tax year 2022 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance except as explained in note 20.1.3, 20.1.4, 20.1.5 and 20.1.6.

43 EARNINGS PER SHARE - BASIC AND DILUTED

	Unit	31-Dec-23	31-Dec-22
Earnings			
Profit after taxation	*Rupees '000*	1,325,089	1,067,467
Preference dividend for the year	*Rupees '000*	(42,710)	(42,710)
Profit attributable to ordinary shareholders	*Rupees '000*	1,282,379	1,024,757
Shares			
Weighted average number of ordinary shares outstanding during the year	*No. of shares*	856,012,155	770,048,493
Earnings per share			
Basic and diluted	*Rupees*	1.50	1.33

43.1 As per the opinion of the Company's legal counsel, the provision for dividend at 9.5% per annum, under the original terms of issue of preference shares, will prevail on account of preference dividend.

43.2 There is no diluting effect on the basic earnings per share of the Company as the conversion rights pertaining to outstanding preference shares, under the original terms of issue, are no longer exercisable.

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*

44 CASH GENERATED FROM OPERATIONS

	Note	31-Dec-23	31-Dec-22
Profit before taxation		3,303,825	2,348,153
Adjustments for non-cash and other items			
Interest/markup/profit on borrowings		3,488,345	2,936,171
Interest on lease liabilities		20,147	10,280
Share of (gain)/loss from associate		(183)	386
Notional interest on long term advances		168,817	371,577
Gain on disposal of property, plant and equipment		(15,243)	(7,211)
Intangible assets written-off		-	797
Amortization of grant-in-aid		(1,498)	(1,577)
Amortization of intangible assets		5,161	5,539
Impairment (reversal)/allowance on long term investment		(8,141)	2,175
Changes in fair value of short term investments		(14,321)	15,264
Impairment allowance/(reversal) for expected credit loss		84,764	(241,875)
Impairment allowance/(reversal) for obsolete and slow moving stock		1,144	(18,618)
Depreciation		1,245,048	1,273,406
		4,974,040	4,346,314
		8,277,865	6,694,467
Changes in working capital			
Long term deposits		(106,866)	(20,089)
Long term advances		(1,695,513)	(2,077,630)
Stores, spares and loose tools		(28,412)	13,175
Stock in trade		2,137,020	(3,341,849)
Trade receivables		1,283,290	(1,472,914)
Contract assets		172,563	9,837
Short term advances		1,602,310	1,398,341
Short term deposits and prepayments		(44,128)	(83,032)
Other receivables		74,049	2,130
Warranty obligations		248,494	246,480
Trade and other payables		1,487,094	(372,996)
		5,129,901	(5,698,547)
Cash generated from operations		13,407,766	995,920

45 CASH AND CASH EQUIVALENTS

	Note	31-Dec-23	31-Dec-22
Cash and bank balances	*34*	784,116	796,081
		784,116	796,081

46 CHANGES FROM FINANCING CASH FLOWS

	31-Dec-23							
	Issued Share capital *Rupees '000*	Share Premium *Rupees '000*	Share deposit money *Rupees '000*	Redeemable capital *Rupees '000*	Long term finances *Rupees '000*	Lease liabilities *Rupees '000*	Short term borrowings *Rupees '000*	Unclaimed dividend *Rupees '000*
As at beginning of the year	9,009,697	5,610,856	-	1,500,000	5,676,676	142,970	15,559,787	10,680
Issue of right shares	-	-	-	-	-	-	-	-
Share deposit money received	-	-	-	-	-	-	-	-
Redeemable capital issued	-	-	-	-	-	-	-	-
Redeemable capital paid	-	-	-	(1,500,000)	-	-	-	-
Long term finances obtained	-	-	-	-	-	-	-	-
Repayment of long term finances	-	-	-	-	(2,120,585)	-	-	-
Long term finances accretion	-	-	-	-	-	-	-	-
Lease liabilities recognized	-	-	-	-	-	43,891	-	-
Interest on lease liabilities	-	-	-	-	-	20,147	-	-
Repayment of lease liabilities	-	-	-	-	-	(115,216)	-	-
Net decrease in short term borrowings	-	-	-	-	-	-	(3,233,777)	-
Dividend paid	-	-	-	-	-	-	-	(12)
As at end of the year	9,009,697	5,610,856	-	-	3,556,091	91,792	12,326,010	10,668

	31-Dec-22							
	Issued Share capital *Rupees '000*	Share Premium *Rupees '000*	Share deposit money *Rupees '000*	Redeemable capital *Rupees '000*	Long term finances *Rupees '000*	Lease liabilities *Rupees '000*	Short term borrowings *Rupees '000*	Unclaimed dividend *Rupees '000*
As at beginning of the year	5,426,392	4,279,947	1,790,000	1,500,000	7,854,268	238,527	10,498,852	10,785
Share deposit money received	-	-	3,226,629	-	-	-	-	-
Issue of right shares	3,583,305	1,330,909	(5,016,629)	-	-	-	-	-
Redeemable capital issued	-	-	-	-	-	-	-	-
Long term finances obtained	-	-	-	-	387,500	-	-	-
Repayment of long term finances	-	-	-	-	(2,581,924)	-	-	-
Long term finances accretion	-	-	-	-	16,832	-	-	-
Lease liabilities recognized	-	-	-	-	-	80,711	-	-
Interest on lease liabilities	-		-	-	-	10,280	-	-
Repayment of lease liabilities	-	-	-	-	-	(186,548)	-	-
Net decrease in short term borrowings	-	-	-	-	-	-	5,060,935	-
Dividend paid	-	-	-	-	-	-	-	(105)
As at end of the year	9,009,697	5,610,856	-	1,500,000	5,676,676	142,970	15,559,787	10,680

47 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise sponsors, associated companies, key management personnel and post employment benefit plan. 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. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature and basis of relationship	Shareholding
Pak Elektron Limited Employees Provident Fund Trust	Post-employment Benefit Plan	0.00%
Kohinoor Power Company Limited	Associated Company [Significant Influence]	0.00%
Kohinoor Energy Limited	Associated Company [Common Directorship]	0.00%
Mr. M. Murad Saigol	Key Management Personnel [Chief Executive]	0.0025%
Mr. M. Zeid Yousuf Saigol	Key Management Personnel [Director]	3.6735%
Mr. Syed Manzar Hassan	Key Management Personnel [Director]	0.0002%
Mr. Naseem Saigol	Key Management Personnel [Director]	25.4451%
Mrs. Sehyr Saigol	Key Management Personnel [Director]	0.9466%
Mrs. Amber Haroon	Sponsor [major Shareholder]	21.4694%

Transactions with key management personnel are limited to payment of short term employee benefits. Transactiosn with post-employment benefit plan are limited to contributions made during the year. Transactiosn with sponsors are limited to obtaining share deposit money. The Company in the normal course of business carries out various transactions with its 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 are as follows:

		Note	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
47.1 Transactions with related parties				
Nature of relationship	Nature of transactions			
Associated Companies	Purchase of services		8,177	8,915
Post-employment Benefit Plan	Contribution for the year		93,567	90,217
Key Management Personnel	Short term employee benefits	*53*	49,123	50,800
Sponsors	Share deposit money received		-	844,882
47.2 Balances with related parties				
Nature of relationship	Nature of balances			
Post-employment Benefit Plan	Contribution payable		20,110	16,822
Key Management Personnel	Short term employee benefits payable		860	775

48 CONTRACTS WITH CUSTOMERS

48.1 Disaggregation of revenue

The table below provides disaggregation of revenue and its relationship with revenue information disclosed for the Company's operating segments presented in note 54.

	Power Division		Appliances Division		Total	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
Product/service lines						
Home appliances	-	-	22,299,554	34,213,250	22,299,554	34,213,250
Electrical capital goods	25,998,117	31,163,877	-	-	25,998,117	31,163,877
Construction contracts	26,334	651,113	-	-	26,334	651,113
	26,024,451	31,814,990	22,299,554	34,213,250	48,324,005	66,028,240
Timing of revenue recognition						
Products transferred at a point in time	25,998,117	31,163,877	22,299,554	34,213,250	48,297,671	65,377,127
Products/services transferred over time	26,334	651,113	-	-	26,334	651,113
	26,024,451	31,814,990	22,299,554	34,213,250	48,324,005	66,028,240

48.2 Contract balances

The information about receivables, contract assets and contract liabilities from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	Note	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
Receivables	Trade receivables	*28*	14,312,984	15,681,038
Contract assets	Construction work in progress	*29*	615,301	787,864
Contract liabilities	Advances from customers	*17*	157,913	31,010
			15,086,198	16,499,912

48.3 Changes in contract assets and liabilities

Significant changes in contract assets and contract liabilities during the year are as follows:

	31-Dec-23		31-Dec-22	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
	Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*
As at beginning of the year	787,864	31,010	797,701	32,091
Revenue recognized against contract liability as at beginning of the year	-	(31,010)	-	(32,091)
Net increase due to cash received in excess of revenue recognized	-	157,913	-	31,010
Transfers from contracts assets recognized at the beginning of the year to receivables	(787,864)	-	(797,701)	-
Net increases as a result of contract activity	615,301	-	787,864	-
As at end of the year	615,301	157,913	787,864	31,010

48.4 Impairment losses

The Company during the year has recognized Rs. 380.624 million (31-Dec-22: Rs. 80.63 million) as impairment loss for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers. Further, impairment allowance amounting to Rs. 295.860 million (31-Dec-22: Rs. 322.505 million) was reversed during the year on actual recovery. (See note 28.3).

49 FINANCIAL INSTRUMENTS

The gross carrying amounts of the Company's financial instruments by class and category are as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
49.1 Financial assets		
Cash in hand	13,290	11,553
Financial assets at amortized cost		
Long term deposits	614,919	508,053
Long term advances	2,512,941	2,693,767
Trade receivables	14,809,037	16,092,327
Margin deposits	631,122	313,299
Bank balances	770,826	784,528
	19,338,845	20,391,974
Financial assets mandatorily classified at fair value through profit or loss		
Short term investments	32,439	18,118
	19,384,574	20,421,645
49.2 Financial liabilities		
Financial liabilities at amortized cost		
Redeemable capital	-	1,500,000
Long term finances	3,556,091	5,676,676
Lease liabilities	91,792	142,970
Trade creditors	180,846	151,382
Foreign bills payable	1,805,553	120,018
Accrued liabilities	190,671	254,248
Employees' provident fund	20,110	16,822
Other payables	14,128	13,511
Unclaimed dividend	10,668	10,680
Accrued interest/markup/profit	640,000	630,816
Short term borrowings	12,326,010	15,559,787
	18,835,869	24,076,910

50 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

50.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

50.1.1 Credit risk management practices

In order to minimise credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the counterparty has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories and basis for recognizing impairment allowance for Expected Credit Losses ['ECL'] for each category:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

There were no changes in the Company's approach to credit risk management during the year.

50.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
Financial assets at amortized cost			
Long term deposits	*24*	614,919	508,053
Long term advances	*25*	2,512,941	2,693,767
Trade receivables	*28*	14,809,037	16,092,327
Margin deposits	*31*	631,122	313,299
Cash at banks	*34*	770,826	784,528
		19,338,845	20,391,974

50.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					Rupees '000	*Rupees '000*
Long term deposits	*24*	N/A	Performing	12-month ECL	614,919	-
Long term advances	*25*	N/A	Performing	12-month ECL	2,512,941	-
Trade receivables	*28*	N/A	Performing	Lifetime ECL	14,396,031	83,047
		N/A	Doubtful	Lifetime ECL	413,006	413,006
					14,809,037	496,053
Margin deposits	*31*	A3 - A1+	N/A	12-month ECL	631,122	-
Cash at banks	*34*	A3 - A1+	N/A	12-month ECL	770,826	-
					19,338,845	496,053

(a) Long term deposits

These include deposits placed with various financial institutions, suppliers, utility companies and regulatory authorities. Deposits with utility companies and regulatory authorities are substantially perpetual in nature and therefore no credit risk is associated there with. Deposits are placed with financial institutions with reasonably high credit ratings and therefore no credit loss is expected. Deposits are placed with suppliers who have long standing business relationships with the Company and have a good record and accordingly non-performance by these customers is not expected. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Long term advances

These are recoverable from customers who have long standing business relationships with the Company and have running accounts and a good payment record and accordingly non-performance by these customers is not expected. Therefore, no significant credit risk has been associated with these balances and accordingly no loss allowance has been made.

(c) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, trade receivables amounting to Rs. 413.01 million are considered 'doubtful'. Other trade receivables are considered 'performing' including those past due as there is no significant increase in credit risk in respect of these receivables since initial recognition. The ageing analysis of trade receivables as at the reporting date is as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
Neither past due nor impaired	6,351,639	7,042,061
Past due by upto 30 days	2,145,466	2,644,738
Past due by 31 days to 180 days	5,401,384	5,663,066
Past due by 181 days or more	938,575	742,462
	14,837,064	16,092,327

(d) Margin deposits

These are placed with financial institutions with reasonably high credit ratings and therefore no credit loss is expected. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(e) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

50.1.4 Concentrations of credit risk

The Company determines concentrations of credit risk by type of counterparty. Maximum exposure to credit risk, as at the reporting date, by type of counterparty is as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
Utility companies and regulatory authorities	188,723	176,998
Suppliers	325,081	228,429
Customers	17,321,978	18,786,094
Banking companies and financial instituitions	1,503,063	1,200,453
	19,338,845	20,391,974

There are no significant concentrations of credit risk, except for trade receivables. The Company's two (31-Dec-22: nil) significant customers account for Rs. 3,903.562 million (31-Dec-22: Rs. nil) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (31-Dec-22: 10%) of trade receivables as at the reporting date. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected.

50.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets.

50.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*
As at beginning of the year		411,289	653,164
Impairment loss on trade receivables arising from contracts with customers			
- recognized during the year	*28.3*	380,624	80,630
- reversed during the year	*28.3*	(295,860)	(322,505)
Net change in impairment allowance		84,764	(241,875)
As at end of the year		496,053	411,289

50.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

50.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities. Details of undrawn facilities that the Company has at its disposal to further reduce liquidity risk are referred to in note 18.3. There were no changes in the Company's approach to liquidity risk management during the year.

50.2.2 Exposure to liquidity risk

The following table presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest/markup/profit and principal cash flows. To the extent that interest/markup/profit flows are at floating rate, the undiscounted amount is derived from interest/markup/profit rate curves at the reporting date.

	31-Dec-23				
	Carrying amount	Contractual cash flows	One year or less	One to three years	More than three years
	Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
Redeemable capital	-	-	-	-	-
Long term finances	3,556,091	4,531,249	2,562,359	1,955,668	13,222
Lease liabilities	91,792	105,364	67,838	37,526	-
Trade creditors	180,846	180,846	180,846	-	-
Foreign bills payable	1,805,553	1,805,553	1,805,553	-	-
Accrued liabilities	190,671	190,671	190,671	-	-
Employees' provident fund	20,110	20,110	20,110	-	-
Other payables	14,128	14,128	14,128	-	-
Unclaimed dividend	10,668	10,668	10,668	-	-
Accrued interest/markup/profit	640,000	640,000	640,000	-	-
Short term borrowings	12,326,010	16,481,644	16,481,644	-	-
	18,835,869	23,980,233	21,973,817	1,993,194	13,222

	31-Dec-22				
	Carrying amount	Contractual cash flows	One year or less	One to three years	More than three years
	Rupees '000	*Rupees '000*	*Rupees '000*	*Rupees '000*	*Rupees '000*
Redeemable capital	1,500,000	1,531,512	1,531,512	-	-
Long term finances	5,676,676	7,136,598	3,026,704	3,811,880	298,014
Lease liabilities	142,970	161,650	98,465	63,185	-
Trade creditors	151,382	151,382	151,382	-	-
Foreign bills payable	120,018	120,018	120,018	-	-
Accrued liabilities	254,248	254,248	254,248	-	-
Employees' provident fund	16,822	16,822	16,822	-	-
Other payables	13,511	13,511	13,511	-	-
Unclaimed dividend	10,680	10,680	10,680	-	-
Accrued interest/markup/profit	630,816	630,816	630,816	-	-
Short term borrowings	15,559,787	16,481,644	16,481,644	-	-
	24,076,910	26,508,881	22,335,802	3,875,065	298,014

50.3 Market risk

50.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency. There were no changes in the Company's approach to currency risk management during the year.

(b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
Financial assets		
Trade receivables		
USD	435,179	464,890
Financial liabilities		
Foreign bills payable		
USD	(1,497,613)	(22,751)
EUR	(41,636)	(1,608)
CNY	(266,304)	(95,659)
	(1,805,553)	(120,018)
Net balance sheet exposure	(1,370,374)	344,872

	31-Dec-23	31-Dec-22
	Rupees '000	Rupees '000
Foreign currency commitments		
CNY	(1,048,299)	(219,344)
CHF	-	(7,885)
EUR	(1,214,792)	(555,894)
USD	(4,177,019)	(1,566,769)
	(6,440,111)	(2,349,892)
Net exposure	(7,810,485)	(2,005,020)

(c) *Exchange rates applied as at the reporting date*

The following spot exchange rates were applied as at the reporting date:

	31-Dec-23	31-Dec-22
	Rupees '000	Rupees '000
EUR	311.4983	241.3075
USD	281.8607	226.4309
CNY	39.6314	32.5657
CHF	335.0698	245.0286

(d) *Sensitivity analysis*

A five percent appreciation in Pak Rupee against foreign currencies would have increased (31-Dec-22: decreased) profit for the year and equity as at the reporting date by Rs. 68.52 million (31-Dec-22: Rs. 17.24 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year. There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

50.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) *Interest rate risk management*

The Company manages interest rate risk by analysing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points. There were no changes in Company's approach to interest rate risk management during the year.

(b) *Interest/markup/profit bearing financial instruments*

The effective interest/markup/profit rates for interest/markup/profit bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/markup/profit bearing financial instruments as at the reporting date are as follows:

	31-Dec-23	31-Dec-22
	Rupees '000	Rupees '000
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial liabilities	15,973,893	22,879,433

(c) *Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for its fixed rate instruments at fair value.

(d) *Cash flow sensitivity analysis for variable rate instruments*

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 159.739 million (31-Dec-22: Rs. 228.794 million). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year. There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

50.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investments in equity securities. However, the risk is minimal as these investments are held for strategic purposes rather than trading purposes. The Company does not actively trade in these investments.

51 FAIR VALUE MEASUREMENTS

The Company measures some of its assets at fair value. The fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

51.1 Financial instruments measured at fair value

51.1.1 Recurring fair value measurements

Financial instruments	Hierarchy	Valuation techniques and key inputs	31-Dec-23	31-Dec-22
			Rupees '000	*Rupees '000*
Short term investments	Level 1	Quoted bid prices in an active market	32,439	18,118

51.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

51.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

51.3 Assets and liabilities other than financial instruments

51.3.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	31-Dec-23	31-Dec-22
				Rupees '000	*Rupees '000*
Land	-	2,285,835	-	2,285,835	1,097,157
Building	-	7,472,178	-	7,472,178	6,307,315
Plant and machinery	-	15,377,583	-	15,377,583	15,059,803

For fair value measurements categorised into Level 2 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
Land	Market comparable approach that reflects recent transaction prices for similar properties.	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of buildings by Rs. 114.292 million (31-Dec-22: Rs. 54.858 million).
Building	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in increase in fair value of buildings by Rs. 373.609 million (31-Dec-22: Rs. 315.366 million).
Plant and machinery	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would result in increase in fair value of plant and machinery by Rs. 768.879 million (31-Dec-22: Rs. 752.99 million).

51.3.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

52 CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as going concern while providing returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure through debt and equity balance. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue of new shares. Consistent with others in industry, the Company monitors capital on the basis of gearing ratio which is debt divided by total capital employed. Debt comprises long term finances, redeemable capital and lease liabilities, including current maturity. Total capital employed includes total equity plus debt. The gearing ratios as at the reporting date are as follows:

	Unit	31-Dec-23	31-Dec-22
Total debt	*Rupees '000*	3,647,883	7,319,646
Total equity	*Rupees '000*	41,425,211	38,957,899
Total capital employed	*Rupees '000*	45,073,094	46,277,545
Gearing ratio	*% age*	8.09	15.82

The Company is not subject to externally imposed capital requirements, except those related to maintenance of debt covenants, commonly imposed by the providers of debt finance. There were no changes in the Company's approach to capital management during the year.

53 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	31-Dec-23		
	Chief Executive	Directors	Executives
	Rupees '000	*Rupees '000*	*Rupees '000*
Remuneration	12,046	31,972	247,062
House rent	1,205	1,205	31,610
Utilities	1,205	1,205	23,383
Bonus	-	-	33,068
Post employment benefits	-	1,993	24,728
Meeting fee	-	285	-
Reimbursable expenses			
Motor vehicles expenses	-	-	39,840
Medical expenses	-	-	13,464
	14,456	36,660	413,155
Number of persons	1	2	91

	31-Dec-22		
	Chief Executive	Directors	Executives
	Rupees '000	*Rupees '000*	*Rupees '000*
Remuneration	12,046	33,601	294,199
House rent	1,205	1,283	46,724
Utilities	1,205	1,205	28,997
Bonus	-	-	42,492
Post employment benefits	-	2,158	28,263
Meeting fee	-	255	-
Reimbursable expenses			
Motor vehicles expenses	-	-	34,340
Medical expenses	-	-	15,976
	14,456	38,502	490,991
Number of persons	1	2	115

53.1 Chief executive, directors and executives have been provided with free use of the Company's vehicles.

53.2 No remuneration has been paid to non-executive directors.

54 SEGMENT INFORMATION

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(c) *for which discrete financial information is available.*

Information about the Company's reportable segments as at the reporting date is as follows:

Segments	Nature of business
Power Division	Manufacturing and sale of Transformers, Switchgears, Energy Meters and Engineering, Procurement and Construction ['EPC'] contracting.
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.

	31-Dec-23		
	Power Division *Rupees '000*	Appliances Division *Rupees '000*	Total *Rupees '000*
Revenue	26,024,451	22,299,554	48,324,005
Finance cost	2,020,925	1,627,728	3,648,653
Additions to property, plant and equipment	727,789	1,474,727	2,202,516
Depreciation and amortization	598,386	651,823	1,250,209
Segment profit	2,828,182	624,301	3,452,483
Segment assets	30,668,608	32,411,471	63,080,079

	31-Dec-22		
	Power Division *Rupees '000*	Appliances Division *Rupees '000*	Total *Rupees '000*
Revenue	31,814,990	34,213,250	66,028,240
Finance cost	1,743,481	1,346,594	3,090,075
Additions to property, plant and equipment	1,463,274	1,761,275	3,224,549
Depreciation and amortization	585,956	692,989	1,278,945
Segment profit	2,225,367	255,344	2,480,711
Segment assets	31,272,317	32,825,917	64,098,234

	Note	31-Dec-23 *Rupees '000*	31-Dec-22 *Rupees '000*
54.1 Reconciliation of segment profit			
Total profit for reportable segments		3,452,483	2,480,711
Other income	*37*	103,888	78,252
Other expenses	*40*	(252,729)	(210,424)
Share of loss of associate	*23.1.1*	183	(386)
Profit before taxation		3,303,825	2,348,153

	Note	31-Dec-23	31-Dec-22
		Rupees '000	*Rupees '000*

54.2 Reconciliation of segment assets

	Note	31-Dec-23	31-Dec-22
Total assets for reportable segments		63,080,079	64,098,234
Long term investments	*23*	19,268	10,944
Short term investments	*32*	32,439	18,118
Advance income tax/Income tax refundable	*33*	3,226,079	3,287,334
Total assets		66,357,865	67,414,630

54.3 Information about major customers

There was no single major customer of the Company during the year.

55 EMPLOYEES PROVIDENT FUND TRUST

The Company operates a contributory provident fund for its employees where contributions are made by the Company and employees each at 10% (31-Dec-22: 10%) of the basic salary and cost of living, where applicable, every month. The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

56 PLANT CAPACITY AND ACTUAL PRODUCTION

		31-Dec-23		31-Dec-22	
	Unit	Annual production capacity	Actual production during the year	Annual production capacity	Actual production during the year
Transformers/Power transformers	MVA	8,000	2,922	8,000	5,693
Switch gears	Nos.	12,500	7,723	12,500	12,042
Energy meters	Nos.	1,700,000	723,235	1,700,000	960,244
Air conditioners	Tonnes	200,000	36,905	200,000	123,083
Refrigerators/Deep freezers	Cfts.	7,950,000	1,576,357	7,950,000	3,332,208
Microwave ovens/Water dispensers	Litres	3,500,000	675,796	3,500,000	1,801,065
LED TVs	Sets	200,000	-	200,000	16,000
Washing machines	Kgs	860,000	363,452	860,000	331,522

56.1 Under utilization of capacity is mainly attributable to consumer demand.

57 SHARIAH DISCLOSURES

	31-Dec-23	31-Dec-22
	Rupees '000	*Rupees '000*
Loans/advances obtained as per islamic mode	1,394,110	4,861,094
Shariah compliant bank deposits/bank balances	87,162	157,654
Profit earned from shariah compliant bank deposits/bank balances	-	-
Revenue earned from a shariah compliant business segment	38,685,112	52,386,178
Gain/loss or dividend earned from shariah compliant investments	-	-
Exchange gain earned from actual currency	-	-
Profit paid on islamic mode of financing	(371,737)	(603,926)
Interest/markup paid on any conventional loan or advances	(3,200,281)	(2,184,413)

Relationship with shariah compliant banks:

Name of Bank	Relationship with Bank
Al Baraka Bank (Pakistan) Limited	Redeemable capital, short term borrowings and bank balances
Faysal Bank Limited	Long term finances, short term borrowings and bank balances
Habib Bank Limited	Short term borrowings and bank balances
BankIslami Pakistan Limited	Short term borrowings and bank balances
Meezan Bank Limited	Bank balances
United Bank Limited	Bank balances

58 NUMBER OF EMPLOYEES

	Factory employees		Total employees	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Total number of employees	**3,793**	4,386	**4,238**	4,921
Average number of employees	**3,858**	5,570	**4,321**	6,141

59 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

60 GENERAL

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

M. MURAD SAIGOL
Chief Executive Officer

M. ZEID YOUSUF SAIGOL
Director

SYED MANZAR HASSAN
Chief Financial Officer

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ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting of Shareholders of **Pak Elektron Limited** ("Company") will be held on Monday, 29 April 2024 at 11:00 A.M., at Factory Premises, 14-KM, Ferozepur Road, Lahore to transact the following business: -

1. To confirm the minutes of Annual General Meeting held on 27 April 2023.
2. To receive and adopt the Annual Audited Accounts of the Company for the year ended 31 December 2023 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
4. Any other business with the permission of the Chair.

By the order of the Board

Muhammad Omer Farooq
Company Secretary

Lahore: 08 April 2024

Notes:

1. Share Transfer Books of the Company will remain closed from 22 April 2024 to 29 April 2024 (both days inclusive). Physical transfers/CDS Transactions IDs received in order at Company registrar office M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore on or before 21 April 2024 will be treated in time.
2. A member entitled to attend and vote at this Meeting may appoint another Member as proxy. Proxies in order to be effective, must be received at 14-KM, Ferozepur Road, Lahore not later than forty-eight hours before the time of the meeting and must be duly stamped, signed and witnessed.
3. Members whose shares are deposited with Central Depository System are requested to bring their original National Identity Cards or original Passports along with their Account Numbers in Central Depository System for attending the meeting.
4. Members are requested to notify the Company change in their addresses, if any.
5. Annual Audited Financial Statements of the Company for the Financial Year ended 31 December 2023 have been placed on the Company's website i.e. www.pel.com.pk.
6. Replacement Of Physical Shares Into CDC Account

   Members, who hold physical shares, are advised to convert their shares into electronic form in terms of section 72 of the Companies Act, 2017.
7. Participation in the AGM through Video link Facility

   The SECP through its Circular No. 4 dated 15 February 2021 and Circular No. 6 dated 03 March 2021 has directed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to allowing physical attendance by the members. The members who are willing to attend and participate in the AGM can do so through video-link via smartphones, computers, tablets, etc. To attend the AGM through video-link, members are requested to get their following particulars registered by sending an email or WhatsApp at the number/address given below, at least 48 hours before the time of the AGM, and download video-link from https//zoom.us/download.

Name	Folio/CDS Account No	CNIC No	Cell phone	E-mail

Signature of Member

WhatsApp	Email
+92 (0) 346 4442501	omer.farooq@saigols.com

Upon receipt of requests, the video-link login credentials will be shared with the interested shareholders on their email addresses or WhatsApp messages. The members can send their comments/suggestions related to the agenda items of the meeting through the above-mentioned means.

8. The Company's Annual Report 2023 can be accessed and downloaded from PEL's website using the following link or scanning the QR Code.

   https://pel.com.pk/wp-content/uploads/2024/04/PEL-Annual-Reprt-2023.pdf

By the order of the Board

Muhammad Omer Farooq
Company Secretary

Lahore: 08 April 2024

7۔ ویڈیو لنک کی سہلولت کے ذریعے نوٹس برائے سالانہ اجلاس میں شرکت

ایس ای سی پی نے اپنے سرکلر نمبر 4 مورخہ 15 فروری 2021 اور سرکلر نمبر 6 مورخہ 03 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ ممبران کی جسمانی حاضری کی اجازت دینے کے علاوہ ویڈیو لنک کی سہولت کے ذریعے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی شرکت کا اہتمام کریں۔ جو ممبران AGM میں شرکت اور شرکت کے خواہشمند ہیں وہ ویڈیو لنک کے ذریعے سمارٹ فونز، کمپیوٹرز، ٹیبلیٹ وغیرہ کے ذریعے ایسا کر سکتے ہیں۔ ویڈیو لنک کے ذریعے AGM میں شرکت کے لیے ممبران سے درخواست کی جاتی ہے کہ وہ ای میل بھیج کر اپنی درج ذیل تفصیلات رجسٹر کروا لیں۔ یا AGM کے وقت سے کم از کم 48 گھنٹے پہلے نیچے دیئے گئے نمبر/پتے پر واٹس ایپ کریں اور https//:zoom.us/ download سے ویڈیو لنک ڈاؤن لوڈ کریں۔

نام	فلیو /سی ڈی ایس اکاؤنٹ نمبر	کمپیوٹرائز شناختی کارڈ نمبر	موبائل نمبر	ای میل

ممبر کے دستخط

ای میل	واٹس اپ
omer.farooq@saigols.com	+92 (0) 346 4442501

درخواستوں کی وصولی پر، ویڈیو لنک لاگ ان کی اسناد دلچسپی رکھنے والے شیئر ہولڈرز کے ساتھ ان کے ای میل پتوں یا واٹس ایپ پیغامات پر شیئر کی جائیں گی۔ ممبران میٹنگ کے ایجنڈا آئٹمز سے متعلق اپنے تبصرے/مشورے مذکورہ ذرائع سے بھیج سکتے ہیں۔

۸۔کمپنی کی سالانہ رپورٹ 2023ء کمپنی کی ویب سائیٹ سے دئیے گئے لنک یا QR کوڈ کے ذریعے ڈائو ن لو ڈ کی جاسکتی ہے ۔

https://pel.com.pk/wp-content/uploads/2024/04/PEL-Annual-Reprt-2023.pdf

بحکم بورڈ

ایم عمر فاروق

کمپنی سیکرٹری

لاہور: 08 اپریل 2024

نوٹس برائے سالانہ اجلاسِ عام

بذریعہ نوٹس ہٰذا مطلع کیا جاتاہے کہ پاک الیکٹرون لمیٹڈ کے حصص داران کااٹھسٹھواں (68th) سالانہ اجلاس ِ عام29 اپریل 2024 بروزسوموار00 :11 بجے صبح فیکٹری احاطہ 14 -کلو میٹر، فیروزپورروڈ، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1 ۔ 27 اپریل2023 کو منعقد ہونے والے سالانہ اجلاسِ عام کی کارروائی کی تصدیق ۔

2 ۔ مالی سال مختتم 31 دسمبر2023 کی بابت کمپنی کے سالانہ آڈٹ شدہ حسابات بہمراہ اُن پر ڈائریکٹران و آڈیٹران کی رپورٹس کی وصولی اوران کی قبولیت ۔

3 ۔ اگلے سالانہ اجلاس ِ عام کے اختتام تک عہدہ پر رہنے کیلئے کمپنی کے آڈیٹران کا تقرر اوران کے صلہ خدمت کا تعین ۔

4 ۔ صاحبِ صدر کی اجازت سے کسی دیگر امرپر کارروائی۔

بحکم بورڈ

ایم عمر فاروق

کمپنی سیکرٹری

لاہور:08 اپریل2024

نوٹس

1۔ کمپنی کی حصص کی منتقلی کی کتابیں22اپریل 2024 تا 29 اپریل2024(بشمول دونوں دِن) بند رہیں گی۔ کمپنی شیئر رجسٹرار آفس ایم/ایس کارپ لنک (پرائیویٹ) لمیٹڈ وِنگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن ، لاہورمیں وصول ہونے والی منتقلیاں (بشمولCDS/Physical) 21اپریل2024کو کاروبار بند ہونے تک قابل ِ قبول ہوں گی۔

2۔ اجلاس ہٰذا میں شرکت کرنے اور ووٹ دینے کا اہل ممبر پراکسی مقرر کرسکتاہے۔ پراکسیاں تا آنکہ مؤثر ہوسکیں، اجلاس کے وقت سے کم از کم 48گھنٹے قبل کمپنی کے صدر دفتر بمقام 14-کلو میٹر، فیروزپورروڈ، لاہور میں لازماً وصول ہونی چاہئیں اور باقاعدہ مہر زدہ دستخط شدہ اور گواہ شدہ ہونی چاہئیں۔

3۔ وہ ممبران جن کے نام حصص سنٹرل ڈیپازٹری سسٹم میں ہیں التماس ہے کہ وہ اپنے اصل شناختی کارڈ یا پاسپورٹ اور سنٹرل ڈیپازٹری سسٹم میں اپنے اکاؤنٹ نمبر اجلاس میں شرکت کے لئے ہمراہ لائیں۔

4۔ ممبران سے التماس ہے کہ اپنے پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کو مطلع فرما دیں۔

5۔ 31دسمبر 2023کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈیٹڈ اکاؤنٹس کمپنی کی ویب سائٹ www.pel.com.pk پر جاری کردئیے گئے ہیں۔

6۔ **فیزیکل حصص کی سی ڈی سی اکاؤنٹ میں تبدیلی**

فیزیکل حصص رکھنے والے حصہ داران کو ہدایت کی جاتی ہے کہ کمپنز ایکٹ 2017 کے سیکشن 72 کے تحت الیکٹرونک شکل میں تبدیل کروالیں۔

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FORM OF PROXY

68TH ANNUAL GENERAL MEETING

LEDGER FOLIO ____________ SHARES HELD ____________

I / We ____

of ____

appoint ____

(or of ____

failing him) ____

(being a member of the Company) as my / or proxy to attend and vote for me / us and on my / our behalf at the 68th Annual General Meeting of the Company to be held on 29 April 2024 at 11:00 A.M. at Factory Premises, 14-KM, Ferozepur Road, Lahore and at every adjournment thereof, if any.

A witness my / our hand (s) this ____________day of ________________ 2024.

Signed by the said

____

REVENUE STAMP

Witnesses:

1)	Name ____________	2)	Name ____________
	Address ____________		Address ____________
	CNIC No. ____________		CNIC No. ____________

Notes:

1. A member entitled to attend and vote at this Meeting may appoint proxy in accordance with the provisions of Article 54 of the Articles of Association of the Company. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank Gulberg-V, Lahore, the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting and must be duly stamped, signed and witnessed.

2. For CDC Account Holders/ Corporate Entities in addition to the above the following requirements have to be met.

   (i) Attested copies of CNIC or the passport of the Beneficial Owners and the Proxy shall be provided with the proxy form.

   (ii) In came of a Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signatures shall be submitted (unless it has been provided earlier along with proxy form to the Company).

   (iii) The Proxy shall produce his original CNIC or original passport at the time of the meeting.

AFFIX
CORRECT
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The Company Secretary
PAK ELEKTRON LIMITED
17 - Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.

پراکسی فارم

68واں سالانہ عمومی اجلاسِ عام۔

لیجر فولیو	موجودہ حصص

میں /ہم ....کا/ کے بحیثیت ممبران پاک الیکٹرون لمیٹڈ اور حامل عام حصص محترم/ محترمہ .... یا ان کے حاضر نہ ہو سکنے کی صورت میں .... کو اپنے /ہمارے ایماء پر کمپنی کے 29اپریل 2024بروزسوموار 11:00بجے صبح فیکٹری احاطہ 14 کلو میٹر، فیروزپورروڈ ، لاہور میں منعقد ہونے والے 68واں سالانہ عمومی اجلاس ِعام میں شرکت کرنے حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرتا / کرتے ہیں۔

بطور گواہ آج بتاریخ .... اپریل 2024 میرے / ہمارے دستخط ہوئے۔

گواہاں:

(1) نام	(2) نام ....
پتہ:	پتہ: ....
قومی شناختی کارڈ نمبر..........................	قومی شناختی کارڈ نمبر..........................

اہم نکات:

1- کوئی رکن جو اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کا حقدار ہے کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 54 کے تحت پراکسی کا تقرر کر سکتا ہے۔ پراکسیاں اسی صورت موثر ہیں جو اجلاس کے انعقاد سے 48گھنٹے پہلے 14 کلو میٹر، فیروزپورروڈ ، لاہور میں موصول ہونا ضروری ہیں۔ پراگیسوں پر رسیدی ٹکٹ رکن کے دستخط اور گواہاں کے دستخط ہونا ضروری ہیں۔

2- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کے لیے
مزید برآں درج ذیل شرائط کا پورا کرنا لازمی ہے۔

(i) پراکسی فاارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی فراہم کی جائیں گی۔

(ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہو گی۔

(iii) پراکسی کو میٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ دکھانا ہو گا۔

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