

PAK ELEKTRON LIMITED

3rd QUARTER REPORT
(Un-Audited)
30-09-2021

Board of Directors

Mr. M. Naseem Saigol	Chairman - Non Executive
Mr. Muhammad Murad Saigol	Chief Executive Officer - Executive/Certified (DTP)
Mr. Muhammad Zeid Yousuf Saigol	Director - Executive/Certified (DTP)
Syed Manzar Hassan	Director - Executive/Certified (DTP)
Syed Haroon Rashid	Director - Independent/Certified (DTP)
Mr. Muhammad Kamran Saleem	Director - Independent/Certified (DTP)
Mr. Asad Ullah Khawaja	Director - NIT Nominee/Independent
Ms. Azra Shoaib	Director - NBP Nominee U/S 164 of the Act / Non Executive

Audit Committee

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

HR & Remuneration Committee

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

Company Secretary

Muhammad Omer Farooq

Chief Financial Officer

Syed Manzar Hassan, FCA

Auditors

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

Legal Advisor

M/s Hassan & Hassan Advocates

Shariah Advisor

Mufti Altaf Ahmed

Company Registration No.

0000802

National Tax No. (NTN)

2011386-2

Status of Company

Public Interest Company (PIC)

Registered Office

17- Aziz Avenue, Canal Bank,
Gulberg-V, Lahore
Tel: 042-35920131
E-Mail: shares@saigols.com

Share Registrar

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

Works

14-K.M. Ferozepur Road, Lahore
Tel: 042-35920151-9 (9 Lines)
Website: www.pel.com.pk

PEL Unit II

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

Karachi

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

Islamabad

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

Bankers

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

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Directors Review

Your directors are pleased to present the condensed unaudited interim financial information of the Company for the 3rd quarter ended September 30, 2021.

Macroeconomic Overview

Pakistan's economy has demonstrated resilience, with real GDP growth of 3.5% surpassing earlier projections. Industrial output has rebounded well, as evident from a 14.85% growth in the Large-Scale Manufacturing (LSM) Index during FY'21. The services sector forming almost 60% of GDP, which faced the brunt of Covid-19 induced lockdowns, is also expected to post a rise of 4.4% during FY21. Headline inflation in Jun'21 fell to 9.7%, as a result of normalizing food prices, somewhat offset by an increase in prices of petroleum products and electricity tariff. Average inflation in FY21 was 8.9%, at the higher end of the SBP's projected range of 7.0% – 9.0%, but lower than the 10.7% recorded in FY20.

The Current Account recorded a decade-low deficit of USD 1.9 billion for FY'21, 58% lower than the deficit of USD 4.5 billion in FY'20. Foreign remittance inflows have supported the current account, remaining sustainably above USD 2 billion per month for the entire year, rising by 27% to USD 29.4 billion. Exports have picked up pace, growing by 13.7% during FY'21 to historical highs. However, a steep rise in imports, driven by the resumption of economic activity and rising oil prices, led to a widening of the trade deficit which increased by 33.3% to USD 28.2 billion.

The stability on the external front has led to a build-up in FX reserves which rose to USD 25.9 billion by the end of September 2021. Inflows from the IMF on account of the third tranche of the Extended Fund Facility (EFF), assistance from other multilateral sources and tapping international bond markets through a structured medium-term note (MTN) program have provided support to the reserves position. An enthusiastic response to the Roshan Digital Accounts program has seen inflows of USD 1.8 billion. Despite of these positive developments, Pak Rupee remained under pressure and further depreciated by 10.41% since June 30, 2021.

The fiscal deficit for FY'21 reduced to 7.1% of GDP, from 8.9% in the same period last year. Importantly, the Government has managed to increase its primary surplus to Rs 452 billion (1.0% of GDP) from Rs 194 billion (0.4% of GDP) during this period. Tax collection numbers



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have also been encouraging throughout FY'21 with net collection of Rs 4.7 trillion representing a growth of 18% over last year. The trends continued in Q1 of FY'22 by registering 37.3% year over growth i.e. Rs. 1,454 billion against Rs. 1,059 billion. In 1H'21, the equity market witnessed a growth of 8.2%, with the KSE100 index briefly surpassing the 48,000 level. Activity on the bourse increased, with its highest ever traded volumes recorded in May. Notably, the PSX saw strong equity raising activity during FY'21, with 7 new issues, the highest since FY'07. Positive moves in the Federal Budget in June provided impetus to the equity market which closed the fiscal year with a 7-year high return of 37.6%. However, KSE 100 Index at September 30, 2021 dropped to 44,900 owing to overall inflationary trends and other downward indicators.

Industry Overview

With a new normal after COVID-19 down slide a tangible economic recovery witnessed. Current prosperity wave is backed by overall economic growth and history ever high foreign remittances; electrical home appliances demand surged with growing disposable incomes and restoration of consumer confidence. Pakistan Bureau of Statistics reports 8M FY 21 YOY production quantum increase of Refrigerators by 151.87%, Air Conditioners 73.71%, Deep Freezers 40.10% on account of improved demand and previous year lower base. However, Production of LED TVs subdued by 3.41% as a result of lower production of "TVs Display Panels" due to global supply chain disruptions. Electrical equipments demand surge is backed by governments' electricity T&D infrastructure augmentation efforts to ensure an uninterrupted electricity to end consumers, especially after local industry revival. Metering infrastructure up gradation is also solicited to curb growing electricity pilferage resulting circular debt. Power Division Products 8M FY 21 YOY production quantum increase, Transformers, Energy Meters and Switch Gears is 16.81%, 63.81% and 186.91% respectively.

Company

During the nine month period under review company's operations continued in line with instruction from Punjab Government and strict compliance of National Command & Operation Centre (NCOC) SOPs. Company vaccinated almost all of employees at mobile vaccination centre set up by Primary and Secondary Health Care Department of Punjab Government at company's premises located at 14 KM Ferozepur Road Lahore. Families of company employees are also vaccinated at the said in house mobile vaccination centre.



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On Saturday, April 24, 2021 a fire broke out at refrigerator production line located at 14-KM Ferozepur Road Lahore due to electricity short circuiting. By the grace of Almighty, there is no loss of human life and it mainly affected the final assembly line of the Refrigerator. As the assets damaged by fire were adequately insured, insurance company after assessment of true extent of loss remitted insurance claim.

With the dedicated team efforts Refrigerator Production started within a couple of weeks after completing necessary rehabilitation work. In this way, company's business plans for the year 2021 remained intact.

During the period company received Best Corporate Report Award securing 1st position in "Engineering & Auto Sector" awarded by the Joint Committee of ICAP and ICMAP for the Annual Report for the year 2020.

Company Financial Performance

During the period, company revenues with 45.85% increase over corresponding period of last year remained at Rs. 42,208 Million with gross profit of Rs.6,865 Million which is 44.16% increase over corresponding period of last year. Company's after tax profit is Rs. 1,375 Million against loss of Rs. 173 million during nine months period ended on September 30, 2021. Earning per share is Rs. 2.70 against loss of Rs. 0.41 of the previous year corresponding period. COVID19 down slide oriented economic revival is at the back of this revenue growth. Products demand surge is due to increase in disposable incomes in appliances segment and in power division it is much needed electricity T&D infrastructure augmentation. Profitability turnaround is due to incremental revenues and effective fixed costs absorption.

Summary of operating results is presented below:

Rupees in millions	3 rd Quarter Ended September 2021	3 rd Quarter Ended September 2020	Increase/ (decrease)	Percentage %
Revenue	42,208	28,939	13,269	45.85
Gross Profit	6,865	4,762	2,103	44.16
Finance Cost	1,604	1,784	(180)	(10.09)
Profit/(Loss) before taxation	1,857	(61)	1,918	3,144.26
Profit/(Loss) after taxation	1,375	(173)	1,548	894.80
Earnings/(Loss) Per Share (Rupees)	2.70	(0.41)		

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Appliances Division

Uncertainty meltdown seen after a noticeable drop in COVID- 19 spread. An overall confidence boost also experienced due to country wide vaccination programs. Present economic stimulation and improved consumer confidence lead to a demand surge. Home Appliance Division revenues registered at Rs. 28,331 Million with 38.63% growth over Rs. 20,437 Million of same period of last year. This revenue growth is attributable to country wide economic revival. Despite of a price hike of imported inputs due to global commodity price increase and weakening of Pak Rupee against US\$, product margins largely remained intact due to cost effective product designs and fixed cost absorption.

High level consumer's "ROX- Return on Experience" is one of core objectives of the company. To achieve the objective, ongoing R&D function is there to ensure attractive esthetically improved and cost effective product designs. During the period under review energy efficient Refrigerator with expanded space "Jumbo Freezer Series", Air Conditioner "Jumbo DC, Turbo DC Series", locally produced "Panasonic ACs", fully automatic Washing Machine with "Smart Touch function" and Semi-automatic washing machines with "Twin Tubs" launched gained positive market response.

State of art manufacturing & testing facilities, highly responsive country wide sales & after sales services network, ongoing product R&D function and a team of well-versed professionals are our core capabilities to further expand our market presence .

Power Division

COVID-19 spread slowdown lead to a robust demand with an improved consumer confidence and uncertainty wipeout. An economic revival witnessed on the back of escalated demand. Electricity demand also grown to support geared up expanded production levels and it necessitated electricity T&D infrastructure augmentation to ensure uninterrupted electricity supply. T&D infrastructure up-gradation efforts by Incumbent Government witnessed an increased demand of electrical & metering equipments. With these up gradations WAPDA power utilities also intend to curb piling up circular debt as result of electricity pilferage and technical losses.

During the period under review power division revenues registered at Rs. 13,877 million with 63.21% increase over Rs. 8,502 million of the similar period of the last year. Robust product demand, improved ordering pattern from WAPDA power utilities and timely supply by company are behind this revenue expansion. In recent past years government have achieved milestone of sufficient electricity generation by setting up energy generation projects and



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next priority is augmentation of T&D infrastructure, to ensure the uninterrupted supply of electricity generated so far. Further, with the expected industrial revival an incremental demand of power division products is going to rise in private industries sector, In addition to WAPDA utility companies, Incumbent Government has announced an incentive package for construction industry inclusive of housing projects under "Naya Pakistan Housing Authority". The expected boom in construction industry and housing sector will also create an additional demand of power division products.

With the healthy order book company is quite confident to meet its annual plans. Manufacturing capacities of all products are greatly sufficient to meet increasing demand.

Your company being pioneer of "Electrical Equipment Manufacturing" owns a great set of capabilities i.e. a team of well versed professionals, latest global standard manufacturing & testing facilities and a prolonged "Customers Relationship History" with WAPDA utility companies. Your company with such a great "Capability Belongings" is well determined to expand its market presence.

Future Outlook

The country's growth momentum appears sustainable, driven by recovery in the manufacturing and services sectors. GDP growth is projected at 4.8% in FY'22. The current inflation projection of 8.2% for FY'22 is credible but rising fuel and utility tariffs could pose an upside risk. The Government's and SBP's collaborative focus towards housing finance, along with directed lending targets for the banking sector, should boost growth in the construction sector, having a multiplier effect and lifting allied industries as well. The recent budget is balanced but growth-oriented; while no new major taxes have been announced, measures have been introduced to improve tax administration and widen the tax base.

Pakistan's vaccination program is on track; the government opened vaccination for everyone aged 19 or older, driven by an influx of Chinese vaccines. However, the latest surge in Covid-19 cases and the prevalence of the Delta variant may pose a real challenge. The accelerated roll-out of vaccines, which are now becoming mandatory, is critical and, along with social distancing measures, must be strictly enforced. However, in the short-term, these may dampen economic growth.

FY'21 has seen positive developments in the external position with the build-up of healthy reserves. However, higher oil prices and rising industrial imports will keep the import bill



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elevated and continue to exert pressure on the Current Account, exacerbating the currency weakness. The ability of the Government to tap international bond markets under the MTN program, as demonstrated by the raising of USD 1 billion in July is a welcome note. However, the timely and successful completion of the 6th IMF review under the EFF, as always, be critical to further boost FX reserves and restore external account stability, ensuring that business sentiments remain anchored. The ability and willingness of the Government to address structural issues – governance and privatization of SOEs, broadening the tax base and addressing the circular debt –will be a key to the success of the EFF program and require urgent attention.

Due to local industry revival, augmentation of electricity T&D infrastructure is a dire need of the day to ensure uninterrupted electricity supply and your company has a prolonged history of being a part of Government's efforts by supplying its quality electrical & metering equipments. Development of CPEC Prioritized Special Economic Zones- SEZs is going tangible in near future and your company being pioneer in electrical equipment manufacturing is well determined to grasp its due market share.

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

Acknowledgement

We 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. We are confident that with continued team efforts we will meet expectation of all stake holders.

On behalf of the Board of Directors

Lahore
October 27, 2021



M. Murad Saigol
Chief Executive Officer



M. Zeid Yousuf Saigol
Director



PAK ELEKTRON LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		September 30, 2021 (Rupees in Thousands)	December 31, 2020 (Rupees in Thousands)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
	Note		
Authorized Capital	6	6,000,000	6,000,000
Issued, subscribed and paid up capital	6	5,426,392	5,426,392
Reserves		4,279,947	4,279,947
Unappropriated profit		17,848,647	16,285,232
Surplus on revaluation		5,474,134	5,723,151
		33,029,120	31,714,722
NON-CURRENT LIABILITIES			
Long term financing	7	4,832,770	5,627,441
Lease Liabilities	8	73,108	155,148
Warranty obligations		134,383	142,273
Deferred taxation		2,401,484	2,338,798
Deferred income		35,088	50,027
CURRENT LIABILITIES			
Trade and other payables		1,537,657	1,543,791
Unclaimed Dividend		10,917	14,456
Accrued interest/ mark up		362,550	372,446
Short term borrowings	9	11,952,018	10,605,608
Current Portion of Non Current Liabilities		2,505,329	2,228,633
		16,368,471	14,764,934
CONTINGENCIES AND COMMITMENTS	10	-	-
		56,874,424	54,793,343

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment

Intangible assets

Long-term investments

Long-term deposits

Long term advances

CURRENT ASSETS

Stores, spare parts and loose tools

Stock-in-trade

Trade debts

Construction work in progress

Short Term Advances

Short term deposits and prepayments

Other receivables

Short term investments

Advance income tax

Cash and bank balances

Note

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	September 30, 2021 (Rupees in Thousands)	December 31, 2020 (Rupees in Thousands)
Property, plant and equipment	24,027,945	24,119,420
Intangible assets	292,436	297,730
	24,320,381	24,417,150
Long-term investments	13,447	10,653
Long-term deposits	449,603	463,652
Long term advances	734,776	615,576
Stores, spare parts and loose tools	883,847	862,124
Stock-in-trade	10,057,556	9,499,264
Trade debts	11,766,840	10,436,154
Construction work in progress	858,743	1,066,852
Short Term Advances	2,661,115	2,637,536
Short term deposits and prepayments	1,190,372	1,114,164
Other receivables	388,312	366,789
Short term investments	31,799	31,881
Advance income tax	2,959,991	2,719,270
Cash and bank balances	557,642	552,278
	31,356,217	29,286,312
	56,874,424	54,793,343

The annexed notes 1 to 19 form an integral part of these interim consolidated financial statements.

M. MURAD SAIGOL
Chief Executive Officer

M. ZEID YOUSUF SAIGOL
Director

SYED MANZAR HASSAN
Chief Financial Officer

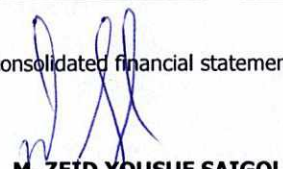
PAK ELEKTRON LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (Un- Audited)

	Note	Nine months ended		Three months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		(Rupees in thousand)		(Rupees in thousand)	
Gross Sales	13	42,207,890	28,938,971	11,687,894	10,770,374
Sales Tax and discount	13	(10,380,778)	(7,311,084)	(2,645,531)	(2,612,685)
Net Sales		31,827,112	21,627,887	9,042,363	8,157,689
Cost of Sales	14	(24,962,004)	(16,865,426)	(7,064,584)	(6,355,978)
Gross Profit		6,865,108	4,762,461	1,977,779	1,801,711
Other Operating Income		22,279	17,519	3,614	5,492
		6,887,387	4,779,980	1,981,393	1,807,203
Distribution Cost		(1,995,560)	(1,842,696)	(514,551)	(612,375)
Administrative Cost		(1,255,686)	(1,186,649)	(410,881)	(412,910)
Other Operating Expenses		(144,272)	(3,456)	(40,428)	8,560
Impairment allowance for expected credit loss		(30,129)	(22,350)	-	-
Finance Cost		(1,604,086)	(1,784,301)	(494,469)	(488,468)
Share of profit/(loss) of associate		(495)	(1,731)	(109)	335
Profit/ (loss) Before Taxation		1,857,159	(61,203)	520,955	302,345
Provision for Taxation		(482,209)	(111,502)	(171,347)	(49,209)
Profit/ (loss) after Taxation		1,374,950	(172,705)	349,608	253,136
Earnings per share basic & diluted	15	2.70	(0.41)	0.68	0.49

The annexed notes 1 to 19 form an integral part of these interim consolidated financial statements.


M. MURAD SAIGOL
Chief Executive Officer


M. ZEID YOUSUF SAIGOL
Director


SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED
CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (Un- Audited)

	September 30, 2021	September 30, 2020
	(Rupees in thousand)	
Cash flows from operating activities		
Profit/(Loss) before taxation	1,857,159	(61,203)
Adjustments for non cash items	2,187,141	2,471,646
Cash generated from operations before working capital changes	4,044,300	2,410,443
Working capital changes	(1,792,523)	(1,181,583)
Cash generated from operations	2,251,777	1,228,860
Finance cost paid - Interest based	(1,406,822)	(1,754,890)
Income tax paid	(660,244)	(91,076)
	(2,067,066)	(1,845,966)
Net cash used in operating activities	184,711	(617,106)
Cash flows from investing activities		
Purchase of property, plant and equipment	(776,275)	(1,585,581)
Purchase of intangible assets	-	(11,342)
Proceeds from disposal of property, plant and equipment	22,917	14,330
(Increase) / decrease in long-term deposits	(105,151)	3,861
Net cash used in investing activities	(858,509)	(1,578,732)
Cash flows from financing activities		
Long Term Finances obtained	1,000,000	1,593,426
Repayment of Long Term Finances	(1,443,272)	(569,114)
Increase/ (Decrease) in liabilities against finance lease	(220,437)	(35,462)
Dividend paid	(3,539)	(464)
Increase / (Decrease) in Short Term Borrowing	1,346,410	1,416,044
Net cash from financing activities	679,162	2,404,430
Net increase/(decrease) in cash and cash equivalents	5,364	208,592
Cash and cash equivalents at beginning of the period	552,278	379,733
Cash and cash equivalents at end of the period	557,642	588,325

The annexed notes 1 to 19 form an integral part of these interim consolidated financial statements.

M. MURAD SAIGOL
Chief Executive Officer

M. ZEID YOUSUF SAIGOL
Director

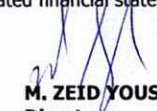
SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (Un- Audited)**

Issued, Subscribed and paid up Capital	Capital reserves		Revenue reserves	Total
	Share premium	Surplus on Revaluation of Property, Plant and Equiplent	Accumulated Profits	
..... (Rupees in thousand)				
5,426,392	4,279,947	6,023,632	7,277,582	23,007,553
-	-		(172,706)	(172,706)
		(54,219)		(54,219)
		(198,384)	198,384	-
			7,638,684	7,638,684
5,426,392	4,279,947	5,771,029	14,941,944	30,419,312
-	-		396,555	396,555
		10,087		10,087
		(1,385)	1,385	-
-	-	(56,580)	56,580	-
			888,768	888,768
5,426,392	4,279,947	5,723,151	16,285,232	31,714,722
-	-		1,374,950	1,374,950
		(60,552)		(60,552)
-	-	(188,465)	188,465	-
5,426,392	4,279,947	5,474,134	17,848,647	33,029,120

The annexed notes 1 to 19 form an integral part of these interim consolidated financial statements.


M. MURAD SAIGOL
 Chief Executive Officer


M. ZEID YOUSUF SAIGOL
 Director


SYED MANZAR HASSAN
 Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1 LEGAL STATUS AND OPERATIONS

The Company is currently organized into the following operating divisions:

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

2.1 COVID-19

2.2 FIRE INCIDENT

3 BASIS OF PREPARATION

The comparative interim balance sheet as at December 31, 2020 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account/statement of comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for nine months ended September 30, 2020 are based on unaudited interim financial information.

3.2 Basis of measurement

This condensed interim consolidated financial information has been prepared under the historical cost convention except for

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

3.3 Judgements , estimates and assumptions

The preparation of interim financial statements requires managements to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be

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

3.4 Functional currency

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

4 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and the methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the company for the year ended December 31, 2020.

5 AUTHORIZED CAPITAL

September 30, 2021 (Numbers)	December 31, 2020 (Numbers)		Un-audited September 30, 2021 (Rupees in thousand)	Audited December 31, 2020 (Rupees in thousand)
500,000,000	500,000,000	Ordinary shares of Rs. 10 each	5,000,000	5,000,000
62,500,000	62,500,000	Preference shares of Rs. 10 each:	625,000	625,000
37,500,000	37,500,000	Class A preference shares of Rs 10 each	375,000	375,000
100,000,000	100,000,000	Class B preference shares of Rs 10 each	1,000,000	1,000,000
600,000,000	600,000,000		6,000,000	6,000,000

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2021 Number of shares	December 31, 2020 Number of shares		Note	Un-audited September 30, 2021 (Rupees in thousand)	Audited December 31, 2020 (Rupees in thousand)
372,751,051	372,751,051	Ordinary shares of Rs. 10 each fully paid		3,727,511	3,727,511
137,500	137,500	In cash		1,375	1,375
408,273	408,273	Other than cash:		4,083	4,083
6,040,820	6,040,820	-against machinery		60,408	60,408
118,343,841	118,343,841	-issued on acquisition of PEL Appliances Limited		1,183,439	1,183,439
497,681,485	497,681,485	-issued against conversion of preference shares		4,976,816	4,976,816
		-as bonus shares			
		Fully paid A class preference shares of Rs. 10 each			
44,957,592	44,957,592	In cash		449,576	449,576
542,639,077	542,639,077			5,426,392	5,426,392

7 LONG-TERM FINANCING - SECURED

As at beginning of the period	7,638,638	4,407,403
Obtained during the period	1,000,000	5,314,552
Paid / settled during the period	1,443,272	2,083,317
Current portion	2,362,596	2,011,197
	4,832,770	5,627,441

8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments	150,996	321,433
Current maturity	77,888	166,285
	73,108	155,148

9 SHORT TERM BORROWINGS

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

10 CONTINGENCIES AND COMMITMENTS

There is no material changes in contingencies and commitments as disclosed in the notes to the financial statements for the year ended December 31, 2020.

11 PROPERTY, PLANT AND EQUIPMENT

Operating assets	11.1	20,904,888	21,553,524
Capital work-in-progress		3,123,057	2,565,896
		<u>24,027,945</u>	<u>24,119,420</u>

11.1 Operating assets

Written down value at beginning of the period / year		21,553,527	21,759,616
Additions during the period / year	11.1.1	219,111	800,629
		<u>21,772,638</u>	<u>22,560,245</u>
Written down value of the assets disposed off / adjustments		14,000	20,291
Depreciation charged during the period / year		853,750	1,148,923
Rental properties			162,493
		<u>20,904,888</u>	<u>21,553,524</u>

11.1.1 Additions during the period / year

Building	-	-
Plant and machinery	169,945	675,190
Office equipment and furniture	16,780	14,022
Computer hardware and allied items	31,337	29,785
Vehicles	1,049	81,632
	<u>219,111</u>	<u>800,629</u>

12 LONG-TERM INVESTMENTS

Kohinoor Power Company Limited
2,910,600 shares (December 31, 2019 2,910,600 shares)
of Rs. 10 each- Relationship: Associate
Ownership interest 23.10 %

12.1 13,447 10,653

13,447 10,653

12.1 Investment in associate at cost - Quoted

Cost of investment	54,701	54,701
Share of post acquisition losses	(14,361)	(13,866)
	40,340	40,835
Accumulated impairment	(26,893)	(30,182)
	<u>13,447</u>	<u>10,653</u>

13 REVENUE

	Nine Months Ended		Quarter ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	------(Rupees in thousand)-----			
Contract revenue	507,492	549,626	402,659	261,240
Sales - local	41,620,693	28,273,755	11,277,547	10,422,037
Sales - export	79,705	115,590	7,688	87,097
	<u>42,207,890</u>	<u>28,938,971</u>	<u>11,687,894</u>	<u>10,770,374</u>
Sales tax and trade discount	10,380,778	7,311,084	2,645,531	2,612,685
	<u>31,827,112</u>	<u>21,627,887</u>	<u>9,042,363</u>	<u>8,157,689</u>

14 COST OF SALES

Raw material, wages and FOH	26,750,446	16,057,808	8,121,887	5,476,301
Work-in-process				
-at beginning of period	1,046,705	656,835	1,563,107	1,011,690
-at end of period	(1,867,143)	(1,008,649)	(1,867,143)	(1,008,649)
	<u>(820,438)</u>	<u>(351,814)</u>	<u>(304,036)</u>	<u>3,041</u>
Cost of goods manufactured	<u>25,930,008</u>	<u>15,705,994</u>	<u>7,817,851</u>	<u>5,479,342</u>
Finished goods				
-at beginning of period	1,529,403	1,871,490	1,838,825	1,825,321
-at end of period	(2,955,774)	(1,159,563)	(2,955,774)	(1,159,563)
	<u>(1,426,371)</u>	<u>711,927</u>	<u>(1,116,949)</u>	<u>665,758</u>
	<u>24,503,637</u>	<u>16,417,921</u>	<u>6,700,902</u>	<u>6,145,100</u>
Contract cost	458,367	447,505	363,682	210,878
Cost of sales	<u>24,962,004</u>	<u>16,865,426</u>	<u>7,064,584</u>	<u>6,355,978</u>

15 EARNINGS PER SHARE - BASIC AND DILUTED

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

Profits for the period	1,374,950	(172,705)
Less: dividend payable on preference shares	32,032	32,032
Profit attributable to ordinary shares	<u>1,342,918</u>	<u>(204,737)</u>

Number of shares	(Number)	
Weighted average number of ordinary shares for the purpose of basic profit	497,681,485	497,681,485

Basic and diluted profit per share have been calculated through dividing profit as stated above by weighted average number of ordinary shares.

Basic earnings per share (Rupees)	<u>2.70</u>	<u>(0.41)</u>
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16 TRANSACTIONS WITH RELATED PARTIES

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

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

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

Relationship	Nature of transaction	Un-audited September 30, 2021 (Rupees in thousand)	Un-audited September 30, 2020
Provident Fund Trust	Contribution for the period	61,669	60,686
Associated company	Services acquired	40,427	38,891
Key Management Personnel	Short-term employee benefits	37,146	34,974
	Post employment benefits	1,465	1,367

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

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 00, 2021

18 GENERAL

18.1 Figures have been rounded off to the nearest thousands.

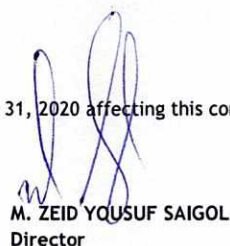
18.2 Comparative figures have been rearranged and reclassified, where necessary for the purpose of comparison . However there were no significant reclassification during the year.

19 OTHERS

There are no other significant activities since December 31, 2020 affecting this condensed interim financial information.



M. MURAD SAIGOL
Chief Executive Officer



M. ZEID YOUSUF SAIGOL
Director



SYED MANZAR HASSAN
Chief Financial Officer