

PAK ELEKTRON LIMITED

1ST QUARTER REPORT

31-03-2022

(Un-Audited)

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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Website: : www.pel.com.pk

DIRECTORS REVIEW

Dear Share Holders

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

FINANCIAL & OPERATIONAL REVIEW

Macro – Economic Environment

Global Economic Overview

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 Sanctions seem unlikely to be rescinded any time soon.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

Domestic Economic Landscape

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

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



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Company Performance Overview

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

Summary of operating results is presented below:

Rupees in Millions	Quarter Ended March 31, 2022	Quarter Ended March 31, 2021	Increase /(decrease)	Percentage %
Sales	16,289	13,470	2,819	20.93
Gross Profit	2,537	2,168	369	17.00
Finance Cost	668	550	118	21.48
Profit Before Tax	439	401	38	9.64
Profit After Tax	312	283	28	10.05
Earnings Per Share - Rupees	0.61	0.55		

Company maintaining growth momentum of year 2021, during First Quarter of year 2022 registered revenues of Rs.16,289 million with 20.93% increase over Rs.13,470 million of previous year. Gross profits with 17.00% increase are Rs.2,537 million. These Gross Profit improvements continued to be reflected in net earnings as well, profit after tax with 10.05% increase are Rs.312 million against Rs.283 Million of previous year period and earnings per share -EPS is Rs.0.61 against Rs.0.55 of last year.

Appliances Division

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

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

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

Power Division

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



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

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

Matter of Significance – Issue of 72% Ordinary Right Issue

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

Future Outlook

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

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

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

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



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Acknowledgement

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

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

Lahore
April 29, 2022

On behalf of the Board of Directors



M. Murad Saigol
Chief Executive Office



M. Zeid Yousuf Saigol
Director

PAK ELEKTRON LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

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

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

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

M. MURAD SAIGOL
Chief Executive Officer

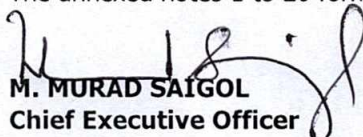
M. ZEID YOUSUF SAIGOL
Director

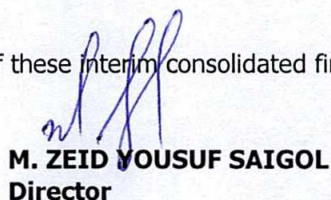
SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED**STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED MARCH 31, 2022**

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

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


M. MURAD SAIGOL
Chief Executive Officer


M. ZEID YOUSUF SAIGOL
Director


SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2022

Cash flows from operating activities

Profit/(Loss) before taxation	439,303	400,695
Adjustments for non cash items	865,127	727,959
Cash generated from operations before working capital changes	1,304,430	1,128,654
Working capital changes	(1,459,387)	(504,453)
Cash generated from operations	(154,956)	624,201
Finance cost paid	(350,379)	(471,091)
Income tax paid	(173,827)	(122,863)
Net cash used in operating activities	(679,162)	30,247


Cash flows from investing activities

Purchase of property, plant and equipment	(594,387)	(188,056)
Proceeds from disposal of property, plant and equipment	15,176	11,918
(Increase) / decrease in long-term deposits	(485,027)	(53,289)
Net cash used in investing activities	(1,064,238)	(229,427)

Cash flows from financing activities

Share deposit money	810,363	-
Long Term Finances obtained	-	1,000,000
Repayment of Long Term Finances	(853,550)	(741,917)
Increase/ (Decrease) in liabilities against finance lease	(5,497)	(31,599)
Dividend paid	-	(4)
Increase / (Decrease) in Short Term Borrowing	1,860,000	(51,568)
Net cash from financing activities	1,811,316	174,912
Net increase/(decrease) in cash and cash equivalents	67,916	(24,268)
Cash and cash equivalents at beginning of the period	579,397	552,278
Cash and cash equivalents at end of the period	647,313	528,010

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


M. MURAD SAIGOL
Chief Executive Officer


M. ZEID YOUSUF SAIGOL
Director


SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2022

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

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

M. MURAD SAIGOL
Chief Executive Officer

M. ZEID YOUSUF SAIGOL
Director

SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2022

1 LEGAL STATUS AND OPERATIONS

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

The Company is currently organized into the following operating divisions:

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

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE YEAR

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

3 BASIS OF PREPARATION

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

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

3.1 Statement of compliance

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

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

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

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

3.2 Basis of measurement

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

3.3 Judgements, estimates and assumptions

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

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

3.4 Functional currency

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

4 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

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

5 AUTHORIZED CAPITAL

March 31, 2022	December 31, 2021		Un-audited March 31, 2022	Audited December 31, 2021
(Numbers)			(Rupees in thousand)	
1,000,000,000	500,000,000	Ordinary shares of Rs. 10 each	10,000,000	5,000,000
		Preference shares of Rs. 10 each:		
62,500,000	62,500,000	Class A preference shares of Rs 10 each	625,000	625,000
37,500,000	37,500,000	Class B preference shares of Rs 10 each	375,000	375,000
100,000,000	100,000,000		1,000,000	1,000,000
1,100,000,000	600,000,000		11,000,000	6,000,000

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2022	December 31, 2021		Note	Un-audited March 31, 2022	Audited December 31, 2021
Number of shares				(Rupees in thousand)	
		Ordinary shares of Rs. 10 each			
		fully paid			
372,751,051	372,751,051	In cash		3,727,511	3,727,511
		Other than cash:			
137,500	137,500	-against machinery		1,375	1,375
		-issued on acquisition of PEL			
408,273	408,273	Appliances Limited		4,083	4,083
		-issued against conversion of			
6,040,820	6,040,820	preference shares		60,408	60,408
118,343,841	118,343,841	-as bonus shares		1,183,439	1,183,439
497,681,485	497,681,485			4,976,816	4,976,816
		Fully paid A class preference			
		shares of Rs. 10 each			
		In cash		449,576	449,576
44,957,592	44,957,592			5,426,392	5,426,392
542,639,077	542,639,077				

7 REDEEMABLE CAPITAL

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

8 LONG-TERM FINANCING - SECURED

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

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

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

10 SHORT TERM BORROWINGS

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

11 CONTINGENCIES AND COMMITMENTS

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

12 PROPERTY, PLANT AND EQUIPMENT

Operating assets	12.1	23,159,962	23,184,452
Capital work-in-progress		945,079	643,593
		<u>24,105,041</u>	<u>23,828,045</u>

12.1 Operating assets

Written down value at beginning of the period / year		23,184,452	21,553,527
Additions during the period / year	12.1.1	<u>292,900</u>	<u>3,032,919</u>
		23,477,352	24,586,446
Written down value of the assets disposed off / adjustments		10,638	301,786
Depreciation charged during the period / year		306,752	1,189,913
Rental Properties			89,705
		<u>23,159,962</u>	<u>23,184,452</u>

12.1.1 Additions during the period / year

Building		-	1,470,133
Plant and machinery		256,850	1,424,054
Office equipment and furniture		15,150	19,139
Computer hardware and allied items		15,350	47,147
Vehicles		5,550	72,446
		<u>292,900</u>	<u>3,032,919</u>

13 LONG-TERM INVESTMENTS

Kohinoor Power Company Limited
2,910,600 shares (December 31, 2021. 2,910,600 shares)
of Rs. 10 each- Relationship: Associate
Ownership interest 23.10 %

13.1 12,021 13,505

12,021 13,505

13.1 Investment in associate at cost - Quoted

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

14 REVENUE

Three Months Ended	
March 31, 2022	March 31, 2021
(Rupees in thousand)	
Contract revenue	255,579 65,737
Sales - local	15,958,762 13,343,005
Sales - export	74,446 60,985
	16,288,787 13,469,727
Less: - sales tax and excise duty	2,337,324 1,956,975
- trade discounts	1,291,658 1,634,189
	3,628,982 3,591,164
	12,659,805 9,878,563

15 COST OF SALES

Raw material consumed	9,300,357	7,382,485
Direct wages	262,573	223,240
Factory overhead	710,651	614,557
Raw material, wages and FOH	10,273,581	8,220,282
Work-in-process		
-at beginning of period	2,027,690	1,046,705
-at end of period	(2,004,479)	(1,317,778)
	23,211	(271,073)
Cost of goods manufactured	10,296,792	7,949,209
Finished goods		
-at beginning of period	2,750,009	1,529,403
-at end of period	(3,154,860)	(1,827,768)
	(404,851)	(298,365)
	9,891,941	7,650,844
Contract cost	230,839	59,374
Cost of sales	10,122,780	7,710,218

16 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	311,959	283,466
Less: dividend payable on preference shares	10,677	10,677
Profit attributable to ordinary shares	<u>301,282</u>	<u>272,789</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>0.61</u>	<u>0.55</u>
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17 TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

18 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on April 00, 2022.

19 GENERAL

19.1 Figures have been rounded off to the nearest thousands.

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

20 OTHERS

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

M. MURAD SAIGOL
Chief Executive Officer

M. ZEID YOUSUF SAIGOL
Director

SYED MANZAR HASSAN
Chief Financial Officer