

# **PAK ELEKTRON LIMITED**

**HALF YEAR REPORT**

**30-06-2024**

**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)
Mrs. Sadaf Kashif	Director - Independent/Certified (DTP)
Mr. Muhammad Kamran Saleem	Director - Independent/Certified (DTP)
Mr. Anjum Nisar	Director - Non Executive
Mr. Shahid Iqbal Choudhri	Director - NBP Nominee U/S 164 of the Act / Non Executive

**Audit Committee**

Mr. Muhammad Kamran Saleem	Chairman/Member
Mr. M. Naseem Saigol	Member
Syed Manzar Hassan	Member
Mrs. Sadaf Kashif	Member

**HR & Remuneration Committee**

Mr. Muhammad Kamran Saleem	Chairman/Member
Syed Manzar Hassan	Member
Mrs. Sadaf Kashif	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](mailto: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](mailto:shares@corplink.com.pk)

**Works**

14-K.M. Ferozpur Road, Lahore  
Tel: 042-35920151-9 (9 Lines)  
Website: [www.pel.com.pk](http://www.pel.com.pk)

**PEL Unit II**

34-K.M. Ferozpur 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, 3<sup>rd</sup> 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

## **DIRECTORS REVIEW**

The Directors of Pak Elektron Limited (the "Company") are pleased to submit Company's un-audited condensed interim financial statements duly reviewed by the Company's Auditors, for the half-year ended on June 30, 2024.

## **FINANCIAL & OPERATIONAL REVIEW**

### **Macro –Economic Environment**

#### **Global Economic Overview**

The World Economic Outlook report for July 2024 forecasts global economic growth of 3.2% in 2024 and 3.3% in 2025. However, there are downside risks due to a global destination slowdown and escalating trade tensions. The J.P. Morgan Global Index decreased to 52.9 in June from 53.7 in May, indicating a global economic growth rate of 3.0% for June 2024. Inflation remains high, with slower service sector inflation offset by rising goods sector prices. The Food and Agriculture Organization's Food Price Index held steady in June at 120.6 points, showing a 2.5% decrease compared to last year. Global commodity prices increased in June 2024, with significant rises in natural gas, fertilizers, and beverages, but declines in non-energy items, food, metal, and precious metals. In the United States, economic growth is projected to decrease to 2.6% in 2024, with a further slowdown to 1.9% expected in 2025. In the Euro Area, growth is expected to increase to 0.9% in 2024 and 1.5% in 2025. The UK's growth is projected to be 0.7% for 2024 and 1.5% for 2025. The growth forecast for China for 2024 has been revised upward to 5%, but it is expected to slow to 4.5% in 2025 and further to 3.3% by 2029.

Improved economic conditions in Pakistan's key trading partners, such as the US, European economies, UK, and China suggest a robust demand for Pakistan's exports. Global trade growth is anticipated to rebound to 3.25% annually in 2024–25, in line with the global GDP growth, despite heightened cross-border trade restrictions and subdued manufacturing.

#### **Domestic Economic Landscape**

The outgoing fiscal year witnessed moderate economic recovery. Government's policy management and administrative measures have restored market confidence which led to a pick-up in economic activity. GDP growth accelerated to 2.4% in FY2024. This growth was broad-based, with the agriculture sector expanded by 6.3%, while industry and services each grew by 1.2%. The markets have sustained due to improvements in economic conditions. The PSX has surged by 79.5% since July 2023, with the KSE 100 index rising to 78,445 points by June 28, 2024. The government has initiated discussions with the IMF for a new three-year program to further support the external sector and encourage investment flows to steer the economy toward its potential growth.

The large-scale manufacturing (LSM) sector experienced moderate growth of 0.45% during Jul-Apr FY2024. This marks a notable improvement compared to the 8.8% contraction during the

same period last year. After consecutive negative growth in Q1 and Q2, the LSM sector is now showing a recovery in Q3 of FY2024. Nearly 50% of sub-sectors have recovered and posted positive growth. Factors such as high inflation, prolonged tight monetary policy, and the slow recovery process in major trading partners contributed to the contraction of the LSM sector. The impact of these factors is fading, as reflected in the positive growth of the LSM sector.

CPI inflation reached its lowest level in 30 months as YoY inflation recorded at 11.8 percent in May 2024, a significant decrease from 38.0 percent in May 2023. This decline can be attributed to several factors, such as monetary tightening, fiscal consolidation, smooth supplies of food items, favorable global commodity prices and exchange rate stability. The government's efforts have played a significant role in containing inflation demonstrating its commitment to price stability.

On the external front, a sustained improvement was observed in the current account balance. The current account posted a deficit of \$0.5 billion for Jul-May FY2024, compared to a deficit of \$3.9 billion last year, largely reflecting improvements in the trade balance and remittances. YoY, exports increased by 17.3 % to \$3.0 billion in May 2024 from \$2.6 billion in May 2023, due to smooth supply of raw materials for export-oriented industries. Imports also increased by 34.5 % YoY to \$5.0 billion in May 2024 from \$3.8 billion last year. The trade deficit reached \$2.0 billion in May 2024 against \$1.2 billion last year. The impact of the increased trade deficit was mitigated by a 54.2 % increase in remittances on YoY basis in May 2024, reaching \$3.2 billion compared to \$2.1 billion in May 2023. In May 2024, FDI inflows were also encouraging, recorded at \$270.9 million compared to an inflow of \$155.7 million last year.

The Monetary Policy Committee (MPC) in its 10 June 2024 meeting has reduced the policy rate by 150 bps to 20.5%. The decision was based on moderate GDP growth in FY2024, receding inflationary pressures. This downward revision has enhanced the positive business sentiments.

The government is committed to create an investment-friendly environment to encourage long-term commitments from potential investors which is imperative for maintaining economic stability.

## INDUSTRY OVERVIEW

The overall Large-Scale Manufacturing (LSM) sector has shown a moderate growth of 0.45 percent during the first ten months (July-April) 2023-24. This marks a notable improvement compared to the 8.8% contraction during the same period last year. After consecutive negative growth in Q1 and Q2, the LSM sector is now showing a recovery in Q3 of FY2024.

Pakistan Bureau of Statistics reports 5M CY 24 YOY production quantum decline of Refrigerators by 18.67%, Air Conditioners by 29.62%, LED TVs by 20.06%. However Deep Freezers production quantum increased by 8.86% due to growing demand of customized products in dairy and bottling sector. Contrary demand of electrical equipment continued to grow, supported by ongoing government efforts to enhance electricity transmission and

distribution infrastructure. Power division products shown year-on-year production quantum increase in Energy Meters and Switch Gears at rates of 12.33% and 6.49% respectively but decrease in Transformers by 8.24%.

## Company Performance Overview

In the first half of FY24, the Company achieved remarkable financial performance, reporting total revenues of Rs. 39,862 Million, reflecting a significant 54.84% increase compared to the same period last year. Gross Profit Margin increased to 26.76% of net sales from 26.03% in the previous year. Further gross profit of Rs. 8,054 Million, marking a substantial 49.31% growth from Rs. 5,394 Million in the same period of previous year. Profit after tax surged by 167.67%, reaching to Rs. 1,416 Million, with earnings per share rising to Rs. 1.63 from Rs. 0.59 in the corresponding period last year. Additionally, the implementation of effective inflation control by the Government measures has created a more stable and positive economic environment, benefiting both consumers and businesses. The successful completion of recent elections in the country and stable foreign exchange rate, has further contributed to enhanced political and economic stability. This in turn positively influenced revenues and profitability of the company. Summary of operating results is presented below:

Rupees in million	Half year ended June 30, 2024	Half year ended June 30, 2023	Increase/ (Decrease)	Percentag e %
Revenue	39,862	25,744	14,118	54.84
Gross Profit	8,054	5,394	2,660	49.31
Finance Cost	2,096	1,971	125	6.34
Profit/(Loss) before taxation	2,584	997	1,587	159.18
Profit/(Loss) after taxation	1,416	529	887	167.67
Earnings/(Loss) Per Share (Rupees)	1.63	0.59		

## Appliances Division

The Home Appliances Division has recorded an increase of 91.91% in revenues in the first half of FY24, with revenues rising to Rs. 23,008 Million compared to Rs. 11,989 Million in the same period last year. This growth is primarily due to the easing of import restrictions, which has enhanced supply chain and production. Additionally, the completion of recent elections has fostered economic stability and improved consumer confidence, supported by effective inflation control that has maintained disposable income levels. Furthermore, the shift towards renewable energy resources is expected to elevate the demand for energy-efficient appliances, aligning with our product offerings. These factors have collectively contributed to improved performance, positioning us well for continued success in the future.

## Power Division

The Power Division has been influenced by some economic pressures, particularly with the growing circular debt. These challenges have brought to light important areas for development, including addressing infrastructure losses, pilferage, and billing recovery. We view these issues as opportunities to enhance our operations. By focusing on upgrading our T&D infrastructure and implementing advanced, tamper-proof metering systems, we are setting the stage for more efficient billing and improved overall performance.

Despite these challenges, the Power Division has demonstrated significant progress and recorded revenues of Rs. 16,854 Million, reflecting an increase of 22.54% compared to Rs. 13,754 Million in the same period of last year. This growth showcases PEL's strong market position and operational resilience.

Further manufacturing capacities of all power division products are greatly sufficient to meet growing demand. It is expected that revenue and profit will increase as import restrictions are easing out more and also the economy stabilizes

## Future Outlook

### Global Economic Outlook

The Global energy and commodities prices, Raw Materials supply chain and availability situation remains complex due to the ongoing Middle East situation. As a consequence, Balance of Trade and Forex reserves situation in Pakistan is anticipated to remain under pressure and create more challenges for the business & economic outlook for the Country in the coming months. However, the financing programs to be finalized with IMF and certain corrective fiscal measures are expected to positively contribute towards improvement in the overall macro-economic situation of Pakistan, which in turn is also anticipated to support overall business development and Textiles and Construction Industry in particular.

### Country Economic Outlook

In Pakistan Economic activity is expected to remain subdued, with real GDP growth estimated at 1.8 percent in FY24, reflecting continued tight macroeconomic policy, import controls, high inflation, and continued policy uncertainty.

The agriculture sector growth target is set at 2 percent for FY2025. Due to a high base in the previous year, important and other crops are projected to keep a reasonably good pace of growth in 2024-25. Furthermore, livestock, Fishery, and forestry are projected to continue on the growing trajectory due to favorable and encouraging environment. The recovery that began in the LSM will likely continue throughout FY2025, driven by a stable exchange rate,

macroeconomic stability, and relaxed import restrictions. Inflation is expected to range 12.0-13.0 percent for July 2024 and 11.0-12.0 percent in August 2024. It is expected that exports and imports will continue to observe an increasing trend and will remain within the range of \$2.4-2.7 billion and \$4.5-4.9 billion, respectively, in July 2024. Revived domestic economic activities, better agriculture output, stable exchange rate, improved foreign demand, and low global commodity prices will remain instrumental for external sector stability.

### Company Future Outlook

The Company in the FY 2024 has decided to achieve a total revenue of Rs. 68,676 million, out of which in the period under review it is able to achieve Rs. 39,862 million, which is 58.04%

A new norm is likely to emerge with the finalization of IMF Program and expected political stability after completion of general elections.

### Company Matters of Significance

#### Incorporation of a wholly owned subsidiary in UAE

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.

### 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  
August 29, 2024.

M. Zeid Yousuf Saigol  
Director

On behalf of the Board of Directors

M. Murad Saigol  
Chief Executive Officer



**Pak Elektron Limited**

**Interim Financial Statements**

*Six-month period ended 30 June 2024*

**Reviewed**

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PAK ELEKTRON LIMITED  
Report on review of Interim Financial Statements

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of **PAK ELEKTRON LIMITED** [‘the Company’] as at **30 June 2024** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended **30 June 2024** of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity.” A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**.

  
RAHMAN SARFARAZ RAHIM IQBAL RAFIQ  
Chartered Accountants

Lahore | 29 August 2024

UDIN: RR20241070432M58fQ4L

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for identification only

# PAK ELEKTRON LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30-Jun-24 Rupees '000 [Un-audited]	31-Dec-23 Rupees '000 [Audited]
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>	6	11,000,000	11,000,000
Issued share capital	7	9,009,697	9,009,697
Share premium		5,610,856	5,610,856
Revaluation reserve		5,611,483	5,737,289
Retained earnings		22,581,751	21,067,369
<b>TOTAL EQUITY</b>		<b>42,813,787</b>	<b>41,425,211</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	8	844,168	1,660,209
Lease liabilities	9	44,583	34,437
Warranty obligations		164,760	148,939
Deferred taxation		5,078,702	4,900,647
Deferred income		27,749	28,460
		6,159,962	6,772,692
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,270,413	3,230,047
Unclaimed dividend		10,339	10,668
Accrued interest/markup/profit		717,535	640,000
Short term borrowings	10	14,278,179	12,326,010
Current maturity of non-current liabilities		1,609,178	1,953,237
		19,885,644	18,159,962
<b>TOTAL LIABILITIES</b>		<b>26,045,606</b>	<b>24,932,654</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>68,859,393</b>	<b>66,357,865</b>

The annexed notes from 1 to 22 form an integral part of these interim financial statements.

  
M. MURAD SAIGOL  
Chief Executive Officer

  
M. ZEID YOUSUF SAIGOL  
Director

  
SYED MANZAR HASSAN  
Chief Financial Officer

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# PAK ELEKTRON LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30-Jun-24 Rupees '000 [Un-audited]	31-Dec-23 Rupees '000 [Audited]
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	28,486,763	28,163,993
Intangible assets		280,031	282,299
Advances for capital expenditure		69,342	64,367
Long term investments	13	16,561	19,268
Long term deposits		621,730	614,919
Long term advances		712,076	602,921
		<b>30,186,503</b>	<b>29,747,767</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		868,972	885,477
Stock in trade		11,829,797	11,687,276
Trade receivables		16,534,343	14,312,984
Construction work in progress		522,564	615,301
Short term advances		3,343,587	3,395,068
Short term deposits and prepayments		1,447,566	1,451,640
Other receivables		221,096	219,718
Short term investments		56,725	32,439
Advance income tax/Income tax refundable		2,897,854	3,226,079
Cash and bank balances		950,386	784,116
		<b>38,672,890</b>	<b>36,610,098</b>
<b>TOTAL ASSETS</b>		<b>68,859,393</b>	<b>66,357,865</b>

The annexed notes from 1 to 22 form an integral part of these interim financial statements.

  
M. MURAD SAIGOL  
Chief Executive Officer

  
M. ZED YOUSUF SAIGOL  
Director

  
SYED MANZAR HASSAN  
Chief Financial Officer

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# PAK ELEKTRON LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Note	Six-month period ended		Three-month period ended	
		30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
		Rupees '000	Rupees '000	Rupees '000	Rupees '000
Revenue from contracts with customers	14	39,862,307	25,743,669	23,391,148	15,634,455
Sales tax, excise duty and discounts	14	(9,777,626)	(5,023,208)	(6,024,409)	(3,055,348)
<b>Net revenue</b>		<b>30,084,681</b>	<b>20,720,461</b>	<b>17,366,739</b>	<b>12,579,107</b>
Cost of sales	15	(22,031,012)	(15,326,925)	(12,750,730)	(9,191,600)
<b>Gross profit</b>		<b>8,053,669</b>	<b>5,393,536</b>	<b>4,616,009</b>	<b>3,387,507</b>
Other income		60,169	47,633	34,733	25,651
Selling and distribution expenses		(2,039,741)	(1,404,847)	(1,237,239)	(884,614)
Administrative expenses		(1,191,353)	(986,294)	(652,112)	(552,360)
Other expenses		(201,725)	(82,045)	(117,405)	(62,364)
		(3,432,819)	(2,473,186)	(2,006,756)	(1,499,338)
Impairment allowance for expected credit losses		-	-	-	-
<b>Operating profit</b>		<b>4,681,019</b>	<b>2,967,983</b>	<b>2,643,986</b>	<b>1,913,820</b>
Finance cost		(2,096,902)	(1,970,515)	(1,099,815)	(1,089,620)
		2,584,117	997,468	1,544,171	824,200
Share of profit/(loss) of associate		324	(433)	90	(46)
<b>Profit before taxation</b>		<b>2,584,441</b>	<b>997,035</b>	<b>1,544,261</b>	<b>824,154</b>
Taxation		(1,168,878)	(468,442)	(573,695)	(332,967)
<b>Profit after taxation</b>		<b>1,415,563</b>	<b>528,593</b>	<b>970,566</b>	<b>491,187</b>
<b>Earnings per share - basic and diluted (Rupees)</b>	16	<b>1.63</b>	<b>0.59</b>	<b>1.12</b>	<b>0.56</b>

The annexed notes from 1 to 22 form an integral part of these interim financial statements.

  
M. MURAD SAIGOL  
Chief Executive Officer

  
M. ZEID YOUSUF SAIGOL  
Director

  
SYED MANZAR HASSAN  
Chief Financial Officer

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# PAK ELEKTRON LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Six-month period ended		Three-month period ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	Rupees '000	Rupees '000	Rupees '000	Rupees '000
Profit after taxation	1,415,563	528,593	970,566	491,187
Other Comprehensive Income				
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Deferred tax on revaluation surplus	(26,987)	(6,791)	(26,987)	(6,791)
Other comprehensive loss after taxation	(26,987)	(6,791)	(26,987)	(6,791)
<b>Total Comprehensive Income</b>	<b>1,388,576</b>	<b>521,802</b>	<b>943,579</b>	<b>484,396</b>

The annexed notes from 1 to 22 form an integral part of these interim financial statements.

 M. MURAD SAIGOL Chief Executive Officer	 M. ZEID YOUSUF SAIGOL Director	 SYED MANZAR HASSAN Chief Financial Officer
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# PAK ELEKTRON LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Share capital		Capital reserves		
	Issued share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000
As at 01 January 2023 - [Audited]	9,009,697	5,610,856	4,785,124	19,552,222	38,957,899
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	528,593	528,593
Other comprehensive loss	-	-	(6,791)	-	(6,791)
<b>Total comprehensive income</b>	-	-	(6,791)	528,593	521,802
Incremental depreciation	-	-	(98,819)	98,819	-
Transaction with owners	-	-	-	-	-
<b>As at 30 June 2023 - [Un-audited]</b>	<b>9,009,697</b>	<b>5,610,856</b>	<b>4,679,514</b>	<b>20,179,634</b>	<b>39,479,701</b>
As at 01 July 2023 - [Un-audited]	9,009,697	5,610,856	4,679,514	20,179,634	39,479,701
<b>Comprehensive income</b>					
Loss after taxation	-	-	-	796,496	796,496
Other comprehensive loss	-	-	1,149,014	-	1,149,014
<b>Total comprehensive income</b>	-	-	1,149,014	796,496	1,945,510
Incremental depreciation	-	-	(91,239)	91,239	-
Transaction with owners	-	-	-	-	-
<b>As at 31 December 2023 - [Audited]</b>	<b>9,009,697</b>	<b>5,610,856</b>	<b>5,737,289</b>	<b>21,067,369</b>	<b>41,425,211</b>
As at 01 January 2024 - [Audited]	9,009,697	5,610,856	5,737,289	21,067,369	41,425,211
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	1,415,563	1,415,563
Other comprehensive loss	-	-	(26,987)	-	(26,987)
<b>Total comprehensive income</b>	-	-	(26,987)	1,415,563	1,388,576
Incremental depreciation	-	-	(98,819)	98,819	-
Transaction with owners	-	-	-	-	-
<b>As at 30 June 2024 - [Un-audited]</b>	<b>9,009,697</b>	<b>5,610,856</b>	<b>5,611,483</b>	<b>22,581,751</b>	<b>42,813,787</b>

The annexed notes from 1 to 22 form an integral part of these interim financial statements.

 <b>M. MURAD SAIGOL</b> Chief Executive Officer	 <b>M. ZEID YOUSUF SAIGOL</b> Director	 <b>SYED MANZAR HASSAN</b> Chief Financial Officer
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# PAK ELEKTRON LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Six-month period ended	
	30-Jun-24	30-Jun-23
	Rupees '000	Rupees '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,584,441	997,035
Adjustments for non-cash and other items	2,705,177	2,507,673
Operating profit before changes in working capital	5,289,618	3,504,708
Changes in working capital	(2,144,274)	7,500,065
<b>Cash generated from/(used in) operations</b>	<b>3,145,344</b>	<b>11,004,773</b>
Payments for interest and taxes	(2,708,952)	(2,037,078)
<b>Net cash generated from/(used in) operating activities</b>	<b>436,392</b>	<b>8,967,695</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(969,658)	(760,431)
Proceeds from disposal of property, plant and equipment	28,737	12,166
Long term deposits	(6,811)	(3,335)
Long term advances	(109,155)	(18,976)
Advances for capital expenditure	(4,975)	16,352
<b>Net cash used in investing activities</b>	<b>(1,061,862)</b>	<b>(754,224)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of redeemable capital	-	(1,500,000)
Long term finances obtained	-	-
Repayment of long term finances	(1,153,366)	(1,119,675)
Repayment of lease liabilities	(6,734)	(41,000)
Net decrease in short term borrowings	1,952,169	(5,661,028)
Share deposit money received	-	-
Issuance cost of right shares	-	-
Dividend paid	(329)	(5)
<b>Net cash generated from/(used in) financing activities</b>	<b>791,740</b>	<b>(8,321,708)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>166,270</b>	<b>(108,237)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>784,116</b>	<b>796,081</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>950,386</b>	<b>687,844</b>

The annexed notes from 1 to 22 form an integral part of these interim financial statements.

 <b>M. MURAD SAIGOL</b> Chief Executive Officer	 <b>M. ZED YOUSUF SAIGOL</b> Director	 <b>SYED MANZAR HASSAN</b> Chief Financial Officer
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# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 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

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 annual audited financial statements of the Company for the year ended 31 December 2023.

These interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017. The comparative condensed interim statement of financial position as at 31 December 2023 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and related notes to the condensed interim financial statements for the six-month period ended 30 June 2023 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 30 June 2024 and 30 June 2023 are neither audited nor reviewed.

#### 2.1 Statement of compliance

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

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives 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.

#### 2.2 Basis of measurement

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 2.3 Judgments, estimates and assumptions

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

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

### 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 authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 29 August 2024.

## 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

### 3.1 IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

### 3.2 IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

### 3.3 Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

### 3.4 Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

### 3.5 Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

### 3.6 Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 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
Lack of Exchangeability ( <i>Amendments to IAS 21</i> )	01 January 2025
IFRS 18 - Presentation and Disclosures in Financial Statements	01 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	01 January 2027

Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:

#### IFRS 1 - First Time Adoption of International Financial Reporting Standards

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 in presentation/disclosures.

### 5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended 31 December 2023.

### 6 AUTHORIZED SHARE CAPITAL

30-Jun-24	31-Dec-23		30-Jun-24	31-Dec-23
No. of shares	No. of shares		Rupees '000	Rupees '000
[Un-audited]	[Audited]		[Un-audited]	[Audited]
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	10,000,000	10,000,000
<b>Preference shares of Rs. 10 each</b>				
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
<b>1,100,000,000</b>	<b>1,100,000,000</b>		<b>11,000,000</b>	<b>11,000,000</b>

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 7 ISSUED SHARE CAPITAL

30-Jun-24		31-Dec-23		30-Jun-24		31-Dec-23	
No. of shares		No. of shares		Rupees '000		Rupees '000	
[Un-audited]		[Audited]		[Un-audited]		[Audited]	
<b>Ordinary shares of Rs. 10 each</b>							
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	
<b>Class 'A' preference shares</b>							
44,957,592	44,957,592	Issued for cash	7.1	449,576		449,576	
900,969,747	900,969,747			9,009,697		9,009,697	

7.1 There is no change in the status and classification of preference shares as reported in the annual financial statements for the year ended 31 December 2023.

		30-Jun-24		31-Dec-23	
		Rupees '000		Rupees '000	
		[Un-audited]		[Audited]	
<b>8 LONG TERM FINANCES</b>					
As at beginning of the period/year		3,556,091		5,676,676	
Repayments made during the period/year		(1,153,366)		(2,120,585)	
As at end of the period/year		2,402,725		3,556,091	
Current maturity presented under current liabilities		(1,558,557)		(1,895,882)	
		844,168		1,660,209	

### 9 LEASE LIABILITIES

Present value of minimum lease payments	95,204	91,792
Current portion presented under current liabilities	(50,621)	(57,355)
	44,583	34,437

### 10 SHORT TERM BORROWINGS

These facilities have been obtained from various banking companies and NBFCs under interest/markup/profit arrangements for working capital requirements and are secured by pledge/hypothecation of raw material and components, work-in-process, finished goods, imported goods, machinery, spare parts, charge over book debts, charge over current assets and personal guarantees of the sponsoring directors of the Company.

### 11 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in the annual audited financial statements for the year ended 31 December 2023, with the exception of the following:

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 11.1 Contingencies

	30-Jun-24	31-Dec-23
	Rupees '000	Rupees '000
	[Un-audited]	[Audited]
Tender bonds	363,458	508,406
Performance bonds	4,355,470	4,372,814
Advance guarantees	261,150	222,635
Custom guarantees	78,292	78,292
Foreign guarantees	6,300	9,137

### 12 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	12.1	24,879,781	25,409,519
Right-of-use assets	12.2	76,064	98,944
Capital work in progress	12.3	3,530,918	2,655,530
		<b>28,486,763</b>	<b>28,163,993</b>

	30-Jun-24	31-Dec-23
	Rupees '000	Rupees '000
	[Un-audited]	[Audited]

#### 12.1 Operating fixed assets

Net book value at the beginning of the period/year	25,409,519	22,747,272
Additions during the period/year		
Buildings	8,210	48,690
Plant and machinery	33,163	72,850
Office equipment and fixtures	19,534	27,364
Computer hardware and allied items	25,488	38,574
Vehicles	7,875	8,824
	<b>94,270</b>	<b>196,302</b>
Revaluation surplus	-	1,691,998
Net book value of assets disposed during the period/year	(20,925)	(33,842)
Depreciation for the period/year	(604,023)	(1,160,680)
Transfer from right-of-use assets	940	23,291
Transfer from capital work in progress	-	1,945,178
Net book value at the end of the period/year	<b>24,879,781</b>	<b>25,409,519</b>

#### 12.2 Right-of-use assets

Net book value at the beginning of the period/year	98,944	162,712
Additions during the period/year	10,146	43,891
Depreciation for the period/year	(32,086)	(84,368)
Transfer to property plant and equipment	(940)	(23,291)
Net book value at the end of the period/year	<b>76,064</b>	<b>98,944</b>

#### 12.3 Capital work in progress

As at the beginning of the period/year	2,655,530	2,638,385
Additions during the period/year	875,388	1,962,323
Transfers to operating fixed assets	-	(1,945,178)
As at end of the period/year	<b>3,530,918</b>	<b>2,655,530</b>

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 13 LONG TERM INVESTMENTS

These represent investments in ordinary shares of a related party. The details are as follows:

	Note	30-Jun-24 Rupees '000 [Un-audited]	31-Dec-23 Rupees '000 [Audited]
<b>Kohinoor Power Company Limited - Quoted</b>			
2,910,600 (31-Dec-23: 2,910,600) ordinary shares of Rs. 10 each	13.1	16,561	19,268
Relationship: <i>associate</i>			
Ownership Interest: 23.1% (31-Dec-23: 23.1%)			
Market value: Rs. 5.69 (31-Dec-23: Rs. 6.62) per share			
		<b>16,561</b>	<b>19,268</b>

- 13.1 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. The Boards of Directors of KPCL and Saritow Spinning Mills Limited ['SSML'], a related party of the Company, in their respective meetings have approved amalgamation of KPCL into SSML. The proposed amalgamation, once affected, will result in the Company holding ordinary shares in SSML in accordance with the swap ratio approved with scheme of amalgamation. 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:

	30-Jun-24 Rupees '000 [Un-audited]	31-Dec-23 Rupees '000 [Audited]
Cost of investment	54,701	54,701
Share of post acquisition losses	(14,837)	(15,161)
	<b>39,864</b>	<b>39,540</b>
Accumulated impairment	(23,303)	(20,272)
	<b>16,561</b>	<b>19,268</b>

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 13.1.1 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 period then ended based on the un-audited financial statements are as follows:

	Note	30-Jun-24 Rupees '000 [Un-audited]	31-Dec-23 Rupees '000 [Audited]
Non-current assets		77,204	80,343
Current assets		54,355	51,999
Non-current liabilities		-	-
Current liabilities		3,240	2,938
Revenue		11,118	17,103
Profit for the period/year		1,401	792
Other comprehensive income		-	-
Total comprehensive income		1,401	792
Break-up value per share		0.01	0.01
Share of profit and other adjustments to net assets	13.1.2	324	183
Market value per share		5.69	6.62

### 13.1.2 This includes the following:

Share of loss for the period/year	324	183
Share of other comprehensive loss for the period/year	-	-
	324	183

	Six-month period ended		Three-month period ended	
	30-Jun-24 Rupees '000 [Un-audited]	30-Jun-23 Rupees '000 [Un-audited]	30-Jun-24 Rupees '000 [Un-audited]	30-Jun-23 Rupees '000 [Un-audited]
<b>14 NET REVENUE</b>				
This represents revenue recognised from contracts with customers				
Sale of goods				
- local	39,356,586	25,484,894	22,891,231	15,426,810
- export	505,721	244,904	499,917	207,645
	39,862,307	25,729,798	23,391,148	15,634,455
Construction contracts	-	13,871	-	-
	39,862,307	25,743,669	23,391,148	15,634,455
Sales tax, excise duty and discounts	(9,777,626)	(5,023,208)	(6,024,409)	(3,055,348)
	30,084,681	20,720,461	17,366,739	12,579,107

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Six-month period ended		Three-month period ended	
	Rupees '000	Rupees '000	Rupees '000	Rupees '000
	[Un-audited]	[Un-audited]	[Un-audited]	[Un-audited]
<b>15 COST OF SALES</b>				
Raw material consumed	18,748,985	11,764,839	10,937,314	6,940,381
Direct wages	603,350	510,654	264,232	300,387
Factory overheads	1,555,279	1,338,264	803,520	695,298
	20,907,614	13,613,757	12,005,066	7,936,066
Work in process				
at the beginning of the period	1,403,957	1,417,998	1,517,145	1,678,945
at the end of the period	(1,282,789)	(1,727,901)	(1,282,789)	(1,727,901)
	121,168	(309,903)	234,356	(48,956)
Cost of goods manufactured	21,028,782	13,303,854	12,239,422	7,887,110
Finished goods				
at the beginning of the period	2,621,666	3,538,846	-	-
at the end of the period	(1,619,436)	(1,529,366)	511,308	1,304,490
	1,002,230	2,009,480	511,308	1,304,490
Cost of goods sold	22,031,012	15,313,334	12,750,730	9,191,600
Cost of construction contracts	-	13,591	-	-
	22,031,012	15,326,925	12,750,730	9,191,600
		<i>Unit</i>	30-Jun-24	30-Jun-23
			[Un-audited]	[Un-audited]
<b>16 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
<b>Earnings</b>				
Profit after taxation		<i>Rupees' 000</i>	1,415,563	528,593
Preference dividend for the period		<i>Rupees' 000</i>	(21,355)	(21,355)
Profit for the period attributable to ordinary shareholders			1,394,208	507,238
<b>Shares</b>				
Weighted average number of ordinary shares outstanding during the period		<i>No. of shares</i>	856,012,155	856,012,155
<b>Earnings per share - basic and diluted</b>		<i>Rupees</i>	1.63	0.59

16.1 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.

16.2 There is no diluting effect on 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.



# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 17 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 of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Pak Elektron Limited			
Employees Provident Fund Trust	Provident Fund Trust	Contribution to provident fund	0.00%
Kohinoor Power Company Limited	Associated company	Investment	0.00%
Kohinoor Energy Limited	Associated company	Common directorship	0.00%
Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Red Communication Arts (Private) 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 shareholding	21.4694%

Transactions with key management personnel are limited to payment of short term employment benefits. Transactions with post employment benefits plan are limited to employers' contribution made. Transactions with sponsors are limited to issue of share capital and receipt of subscription there against. The Company in the normal course of business carries out trade transactions with 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:

		30-Jun-24	30-Jun-23
		Rupees '000	Rupees '000
		[Un-audited]	[Un-audited]
<b>17.1 Transactions with related parties</b>			
Nature of relationship	Nature of transaction		
Associated companies	Purchase of services	3,189	23,648
Provident Fund Trust	Contribution for the period	56,608	46,960
Key management personnel	Short term employee benefits	25,658	24,474
		30-Jun-24	31-Dec-23
		Rupees '000	Rupees '000
		[Un-audited]	[Audited]
<b>17.2 Balances with related parties</b>			
Nature of relationship	Nature of balances		
Provident Fund Trust	Contribution payable	18,988	20,110
Key management personnel	Short term employee benefits	1,290	860

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# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 18 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	30-Jun-24	31-Dec-23
	<i>Rupees '000</i>	<i>Rupees '000</i>
	[Un-audited]	[Audited]
<b>18.1 Financial assets</b>		
<i>Cash in hand</i>	13,299	13,290
<i>Financial assets at amortized cost</i>		
Long term deposits	621,730	614,919
Long term advances	2,609,994	2,512,941
Trade receivables	16,534,343	14,312,984
Margin deposits	311,339	631,122
Bank balances	937,087	770,826
	<b>21,014,493</b>	<b>18,842,792</b>
<i>Financial assets mandatorily classified at fair value through profit or loss</i>		
Short term investments	56,725	32,439
	<b>21,084,517</b>	<b>18,888,521</b>
<b>18.2 Financial liabilities</b>		
<i>Financial liabilities at amortized cost</i>		
Long term finances	2,402,725	3,556,091
Lease liabilities	95,204	91,792
Trade creditors	382,244	180,846
Foreign bills payable	1,340,393	1,805,553
Accrued liabilities	186,919	190,671
Employees' provident fund	18,988	20,110
Other payables	9,002	14,128
Unclaimed dividend	10,339	10,668
Accrued interest/markup/profit	717,535	640,000
Short term borrowings	14,278,179	12,326,010
	<b>19,441,528</b>	<b>18,835,869</b>

### 19 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:

#### 19.1 Financial instruments measured at fair value

##### 19.1.1 Recurring fair value measurements

Financial instruments	Hierarchy	Valuation techniques and key inputs	30-Jun-24	31-Dec-23
			<i>Rupees '000</i>	<i>Rupees '000</i>
			[Un-audited]	[Audited]
Short term investments	Level 1	Quoted bid prices in an active market	56,725	32,439

##### 19.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

*for identification only*

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 19.2 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.

### 19.3 Assets and liabilities other than financial instruments

#### 19.3.1 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	30-Jun-24 Rupees '000 [Un-audited]	31-Dec-23 Rupees '000 [Audited]
Land	-	2,285,835	-	2,285,835	2,285,835
Building	-	7,294,243	-	7,294,243	7,472,178
Plant and machinery	-	15,028,228	-	15,028,228	15,377,583

For fair value measurements categorized 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-23: Rs. 114.292 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 period/year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in a significant increase in fair value of buildings by Rs. 364.712 million (31-Dec-23: Rs. 373.609 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 period/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 a significant increase in fair value of plant and machinery by Rs. 751.411 (31-Dec-23: Rs. 768.879 million).

There were no transfers between fair value hierarchies during the period.

#### 19.3.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting period.

# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 20 SEGMENT INFORMATION

The Company has two reportable segments, which offer different products and are managed separately.

Reportable segment	Principal activity
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.

Information about operating segments as at the reporting dates and for the six-month period then ended is as follows:

	Six-month period ended 30-Jun-24			Total Rupees '000
	Power Division Rupees '000	Appliances Division Rupees '000	Unallocated Items Rupees '000	
Revenue from external customers	16,854,399	23,007,908	-	39,862,307
Segment profit/(loss) before taxation	930,289	1,795,384	(141,232)	2,584,441

	Six-month period ended 30-Jun-23			Total Rupees '000
	Power Division Rupees '000	Appliances Division Rupees '000	Unallocated Items Rupees '000	
Revenue from external customers	13,754,356	11,989,313	-	25,743,669
Segment profit/(loss) before taxation	620,383	411,497	(34,845)	997,035

	As at 30-Jun-24			Total Rupees '000
	Power Division Rupees '000	Appliances Division Rupees '000	Unallocated Items Rupees '000	
Segment assets	32,723,439	33,164,814	2,971,140	68,859,393

	As at 31-Dec-23			Total Rupees '000
	Power Division Rupees '000	Appliances Division Rupees '000	Unallocated Items Rupees '000	
Segment assets	30,668,608	32,411,471	3,277,786	66,357,865

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# PAK ELEKTRON LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

### 21 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

### 22 GENERAL

22.1 There are no other significant activities since 31 December 2023 affecting interim financial statements.

22.2 Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the period.



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M. MURAD SAIGOL  
Chief Executive Officer



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M. ZEID YOUSUF SAIGOL  
Director



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SYED MANZAR HASSAN  
Chief Financial Officer