

PAK ELEKTRON LIMITED

QUARTERLY REPORT

31-03-2023

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. Anjum Nisar	Director - Non Executive
Ms. Azra Shoaib	Director - NBP Nominee U/S 164 of the Act / Non Executive

Audit Committee

Syed Haroon Rashid	Chairman/Member
Mr. M. Naseem Saigol	Member
Syed Manzar Hassan	Member
Mr. Muhammad Kamran Saleem	Member

HR & Remuneration Committee

Syed Haroon Rashid	Chairman/Member
Syed Manzar Hassan	Member
Mr. Muhammad Kamran Saleem	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

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, 2023.

FINANCIAL & OPERATIONAL REVIEW

Macro –Economic Environment

Global Economic Overview

Global growth prospects at the end of first quarter of 2023 have been improved since December 2022. The improvement is due to China's reopening, a material easing of European natural gas crisis and resilience in US consumer demand. Since start of the Russia-Ukraine conflict, this is upward forecast. Fitch forecast world growth at 2.0% in 2023, revised from 1.4% in December 2022. This is mainly due to China's 2023 growth forecast to 5.2% from 4.1%, Eurozone growth to 0.8% from 0.2% and US growth to 1.0% from 0.2%. However, lowered global growth in 2024 would reflect the lagged impact of rapid FED and ECB interest hikes. The European gas crisis has eased sharply in recent months with gas supply holding up, inventories improving relative to seasonal norms and whole sale prices are falling significantly. This is helping Eurozone growth prospectus and easing headline inflation pressures.

Domestic Economic Landscape

The ongoing financial year is turning out to be the most challenging year for country economy. Inflation has reached 48-years high level while dwindling forex reserves have depleted to multi-decade lows of \$4 billion. As a result, the SBP has raised the policy rate to an unprecedented level of 21%. The low foreign exchange reserves have put the pressure on exchange rate and rupee has dipped to 285 by posting a steep slide of 39% since the beginning of the financial year. These factors have affected businesses both directly and indirectly. Inflation has shrunk the buying power of the consumer which is then affecting the demand of the products whereas weak parity against green back accelerating the cost of production of businesses, since the demand is sluggish, the businesses are hardly been able to fully pass on this effect of cost escalation. To curb the imports, SBP has un-officially placed restrictions on imports. As per LCCI report, 9 out of 10 businesses are getting affected from this import rationing. This restriction causing a shortage of products in the market and un-necessarily faring up the prices.

These challenges have led to tightening of economic conditions which has a negative impact on the business environment and may lead to reduced investments, higher borrowing cost and slower business activity. Reflecting the impact of tightening of economic conditions, the World Bank has lowered Pakistan's growth outlook from 2% to 0.4% during this fiscal year.

Moreover, repeated delays in the IMF bailout program in addition to political and economic turmoil are likely to push Pakistan towards a recession. In order to seal the IMF's bailout package, Pakistani authorities have already increased direct and indirect taxes, reduced energy subsidies and raised interest rates to a 25-year high to tamp down prices. This will again have its toll on business environment.

INDUSTRY OVERVIEW

Large Scale Manufacturing (LSM) registered a negative growth of 11.59% in 8MFY23. State Bank of Pakistan steps to control inflationary pressures and imports rationalizing slowed down overall production momentum, lead to a growth check as well.

During the year production levels substantially subdued due to insufficient availability of imported inputs and partially lower product demand at the back of production cost hike and pressures on disposable income. Pakistan Bureau of Statistics reports 2M CY 23 YOY production quantum decline of Refrigerators by 17.14%, Air Conditioners 43.02% and LED TVs 39.12%. However, Deep Freezers production quantum increased by 34.30% due to growing demand of customized products in dairy & bottling sector . Power Division Products in 2M CY 23 shown YOY production quantum decline in Transformers, Energy Meters and Switch Gears @ 44.24%, 22.97% and 42.24% respectively.

Company Performance Overview

During the period overview, company operations remain under pressure mainly because of certain supply side constraints i.e. lower availability of imported inputs as a result of State Bank of Pakistan imports control measures. Escalating product costs due to weakening local currency, growing inflationary trends and rising policy rate are among major challenges.

Summary of operating results is presented below:

Rupees in Millions	Quarter Ended March 31, 2023	Quarter Ended March 31, 2022	Increase /(decrease)	Percentage %
Sales	10,109	16,289	(6,180)	(37.94)
Gross Profit	2,006	2,537	(531)	(20.93)
Finance Cost	881	668	213	31.89
Profit Before Tax	173	439	(266)	(60.65)
Profit After Tax	37	312	(275)	(88.01)
Earnings Per Share – Rupees	0.03	0.35		

Company revenues during first quarter with 37.94% steep down, registered at Rupees 10,109 million against Rupees 16,289 million of previous year period. Gross profits also dropped to Rupees 2,006 billion against Rupees 2,537 million i.e. 20.93 % decline over last year period. Financial charges increase of Rupees 213 million due to increased policy rate swapped away operating cost economies and translated into in a tiny bottom line of Rupees 37 Million against Rupee 312 Million of preceding year period.

Appliances Division

During the period under review, Appliances Division revenue with 55.71% deep slide registered at Rupees 4,403 million against Rupees 9,940 million of last year due to sustained pressures on supply side. Demand side is curbed by the prevailing recessionary regime hitting overall masses purchase power, product cost hike as a result of weakening local currency, global commodity price increase and growing inflation. On supply side company observed low level operation due to scarcity of imported inputs as a result of import restriction imposed by State Bank of Pakistan.

Company's ongoing R&D process is on way to develop cost effective, energy saver and eye catching market competitive product designs to cater demand of all consumer classes.

Highly responsive country wide sales and supply chain network engaged in swift product supply and after sales services is widening company's loyalist 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

Power Division revenues with 10.11% drop registered at Rupees 5,706 million against Rupees 6,348 million of the same period of last year. With the healthy order book demand side is intact while, there are certain supply side constraints due to scarcity of imported inputs as a result of import restriction imposed by State Bank of Pakistan.

Demand of Power Division Products i.e. Transformers both power & distribution, switch gears and energy meters is likely to expand in future with the growing electricity demand. Along with electricity T&D infrastructure augmentation, there is a dire need to upgrade electricity metering system 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.

Future Outlook

Global Economic Outlook

Global growth is projected to decelerate sharply this year, to its third weakest pace in nearly three decades, overshadowed only by the 2009 and 2020 global recessions. This reflects synchronous policy tightening aimed at containing very high inflation, worsening financial conditions and continued disruptions from the Russian Federation's invasion of Ukraine. Investment growth in emerging market and developing economies (EMDEs) is expected to remain below from its average rate of the past two decades. Further adverse shocks could push the global economy into yet another recession. Small states are especially vulnerable to such

shocks because of their reliance on external trade and financing, limited economic diversification, elevated debt and susceptibility to natural disasters. Urgent global action is needed to mitigate the risks of global recession and debt distress in EMDEs. Given limited policy space, it is critical that national policy makers ensure that any fiscal support is focused on vulnerable groups, that inflation expectations remain well anchored, and that financial systems continue to be resilient. Policies are also needed to support a major increase in EMDE investment, including new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies.

Country Economic Outlook

There are multiple challenges ahead of the period under review which the Pakistani Companies will have to face in form of restrictions on opening of LCs for import of raw materials & CKDs for local production, devaluation of Pak Rupee, rising inflationary trend, increase in energy cost, fuel prices and KIBOR. The economy shall remain under pressure due to these challenges.

It is expected that the Government shall take immediate concrete steps including completion of IMF program to resolve the prevailing economic crisis and shall provide the business friendly environment for the recovery and sustainability of the industrial sectors in the periods to come because the delay will further worsen the economic conditions of the country.

Company Future Outlook

The Company is also facing issues with the retirement of LCs as goods are lying at the port awaiting clearance as a result of administrative measures taken by State Bank of Pakistan to cater the Forex Reserves depletion. With the successful conclusion IMF 9th review, gradual revival is expected. Company Business fundamentals are intact and has potential to regain its growth momentum, as country economy revives.

A new norm is likely to emerge with the finalization of IMF Program and expected political stability after new elections. The settlement of political turmoil will lead to improved business confidence and eventually to an accelerating economy. Recent developments of CPEC resumption are quiet encouraging and development of SEZs under its 2nd Phase will result in a robust demand of company 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 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 28, 2023.


M. Zeid Yousuf Saigol
Director

On behalf of the Board of Directors

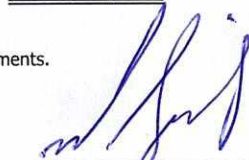

M. Murad Saigol
Chief Executive Officer

PAK ELEKTRON LIMITED
STATEMENT OF FINANCIAL POSITION (Un- Audited)
AS AT MARCH 31, 2023

		March 31, 2023	December 31, 2022			March 31, 2023	December 31, 2022
		(Rupees in Thousands)				(Rupees in Thousands)	
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
	Note				Note		
Authorized Capital	5	11,000,000	11,000,000	Property, plant and equipment	12	25,601,220	25,548,369
Issued, subscribed and paid up capital	6	9,009,697	9,009,697	Intangible assets		284,910	286,154
Share Premium		5,610,856	5,610,856	Advances for capital expenditure		24,128	33,288
Revaluation reserve		4,728,427	4,785,124			25,910,258	25,867,811
Retained earnings		19,646,325	19,552,222	Long-term investments	13	12,748	10,944
		38,995,306	38,957,899	Long-term deposits		502,055	508,053
NON-CURRENT LIABILITIES				Long term advances		997,339	986,245
Redeemable Capital	7	-	-	CURRENT ASSETS			
Long term financing	8	2,903,973	3,480,659	Stores, spare parts and loose tools		835,096	857,065
Lease Liabilities	9	67,280	72,004	Stock-in-trade		13,736,184	13,825,440
Warranty obligations		175,991	191,224	Trade debts		11,980,864	15,681,038
Deferred taxation		3,285,776	3,262,446	Construction work in progress		732,211	787,864
Deferred income		29,584	29,958	Short Term Advances		3,053,370	3,087,358
CURRENT LIABILITIES				Short term deposits and prepayments		1,419,834	1,407,512
Trade and other payables		1,489,988	1,452,174	Other receivables		285,577	293,767
Unclaimed Dividend		10,675	10,680	Short term investments		18,082	18,118
Accrued interest/ mark up		721,867	630,816	Advance income tax		3,313,503	3,287,334
Short term borrowings	10	13,515,526	15,559,787	Cash and bank balances		657,299	796,081
Current Portion of Non Current Liabilities		2,258,453	3,766,983			36,032,019	40,041,577
		17,996,509	21,420,440			63,454,418	67,414,630
CONTINGENCIES AND COMMITMENTS	11	-	-				
		63,454,418	67,414,630				

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


M. MURAD SAIGOL
 Chief Executive Officer


M. ZEID YOUSUF SAIGOL
 Director


SYED MANZAR HASSAN
 Chief Financial Officer


PAK ELEKTRON LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED MARCH 31, 2023 (Un- Audited)

	Note	Quarter Ended	
		March 31, 2023	March 31, 2022
		(Rupees in thousand)	
Gross Sales	14	10,109,214	16,288,787
Sales Tax and discount		(1,967,860)	(3,628,982)
Net Sales		8,141,354	12,659,805
Cost of Sales	15	(6,135,325)	(10,122,780)
Gross Profit		2,006,030	2,537,025
Other Operating Income		21,982	6,330
		2,028,011	2,543,355
Distribution Cost		(520,233)	(870,995)
Administrative Cost		(433,934)	(522,850)
Other Operating Expenses		(19,681)	(40,891)
Finance Cost		(880,895)	(668,438)
Share of profit/(loss) of associate		(387)	(878)
Profit/ (loss) Before Taxation		172,882	439,303
Provision for Taxation		(135,475)	(127,344)
Profit/ (loss) after Taxation		37,407	311,959
Earnings per share basic & diluted	16	0.03	0.35

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


M. MURAD SAIGOL
Chief Executive Officer


M. ZEID YOUSUF SAIGOL
Director


SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2023 (Un- Audited)

	Share capital	Share Deposit Money			Revaluation Reserve	Total
			Share Premium	Retained Earnings		
..... (Rupees in thousand)						
Balance as at January 01, 2022	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
Comprehensive income:						
Profit after taxation	-	-	-	755,508	-	755,508
Other comprehensive (loss)	-	-	-	-	(260,597)	(260,597)
				755,508	(260,597)	494,911
Revaluation surplus realizes on disposal	-	-	-	98,814	(98,814)	-
Incremental depreciation	-	-	-	149,740	(149,740)	-
Transaction with Owners:						
Share deposit money received	-	2,416,266	-	-	-	2,416,266
Issue of right shares	3,583,305	(5,016,629)	1,433,324	-	-	-
Issuance cost of right shares	-	-	(102,415)	-	-	(102,415)
	3,583,305	(2,600,363)	1,330,909	-	-	2,313,851
Balance as at December 31, 2022	9,009,697	-	5,610,856	19,552,222	4,785,124	38,957,899
Total comprehensive income for the period.	-	-	-	37,407	-	37,407
Incremental depreciation	-	-	-	56,697	(56,697)	-
Balance as at March 31, 2023	9,009,697	-	5,610,856	19,646,325	4,728,427	38,995,306

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


M. MURAD SAIGOL
Chief Executive Officer


M. ZEID YOUSUF SAIGOL
Director


SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2023 (Un- Audited)

	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
Cash flows from operating activities		
Profit/(Loss) before taxation	172,882	439,303
Adjustments for non cash items and others	1,149,808	865,127
Cash generated from operations before working capital changes	1,322,690	1,304,430
Working capital changes	3,919,491	(1,459,386)
Cash generated from operations	5,242,181	(154,956)
Payment for Mark up and taxes	(894,001)	(524,206)
Net cash used in operating activities	4,348,179	(679,162)
Cash flows from investing activities		
Purchase of property, plant and equipment	(358,994)	(594,387)
Proceeds from disposal of property, plant and equipment	11,335	15,176
(Increase) / decrease in long-term deposits and advances	(5,096)	(485,027)
Net cash used in investing activities	(352,754)	(1,064,238)
Cash flows from financing activities		
Redemption of Redeemable capital	(1,500,000)	
Repayment of Long Term Finances	(555,255)	(853,550)
Increase/ (Decrease) in liabilities against finance lease	(34,686)	(5,497)
Increase / (Decrease) in Short Term Borrowing	(2,044,261)	1,860,000
Dividend paid	(5)	
Proceeds against right shares issued		810,363
Net cash from financing activities	(4,134,207)	1,811,316
Net increase/(decrease) in cash and cash equivalents	(138,782)	67,916
Cash and cash equivalents at beginning of the period	796,081	579,397
Cash and cash equivalents at end of the period	657,299	647,313

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


M. MURAD SAIGOL
 Chief Executive Officer


M. ZEID YOUSUF SAIGOL
 Director


SYED MANZAR HASSAN
 Chief Financial Officer

PAK ELEKTRON LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2023 (Un- Audited)

1 LEGAL STATUS AND OPERATIONS

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

The Company is currently organized into the following operating divisions:

- (i) **Power Division:** Manufacturing and sale of Transformers, Switchgears, Energy Meters and Engineering, Procurement and Construction [‘EPC’] contracting.
- (ii) **Appliances Division:** Manufacturing, assembling and distribution/sale of Refrigerators, Deep Freezers, Air Conditioners, Microwave Ovens, LED Televisions, Washing Machines, Water Dispensers and other domestic appliances.

2 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, 2022.

The comparative interim balance sheet as at December 31, 2022 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, 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, 2022 are based on unaudited interim financial information.

2.1 Statement of compliance

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

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

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

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

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.

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

2.3 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 believe 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 estimated are recognised in the period in which the estimated is revised and in any future periods affected.

3 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, 2022.

5 AUTHORIZED CAPITAL

March 31, 2023 (Numbers)	December 31, 2022 (Numbers)		Un-audited March 31, 2023 (Rupees in thousand)	Audited December 31, 2022 (Rupees in thousand)
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	10,000,000	10,000,000
		Preference shares of Rs. 10 each:		
62,500,000	62,500,000	Class A preference shares of Rs 10 each	625,000	625,000
37,500,000	37,500,000	Class B preference shares of Rs 10 each	375,000	375,000
100,000,000	100,000,000		1,000,000	1,000,000
<u>1,100,000,000</u>	<u>1,100,000,000</u>		<u>11,000,000</u>	<u>11,000,000</u>

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2023 Number of shares	December 31, 2022 Number of shares	Note	Un-audited March 31, 2023 (Rupees in thousand)	Audited December 31, 2022 (Rupees in thousand)
731,081,721	731,081,721	Ordinary shares of Rs. 10 each fully paid In cash	7,310,817	7,310,817
137,500	137,500	Other than cash: -against machinery	1,375	1,375
408,273	408,273	-issued on acquisition of PEL Appliances Limited	4,083	4,083
6,040,820	6,040,820	-issued against conversion of preference shares	60,408	60,408
118,343,841	118,343,841	-as bonus shares	1,183,438	1,183,438
856,012,155	856,012,155	Fully paid A class preference shares of Rs. 10 each	8,560,121	8,560,121
		In cash	449,576	449,576
<u>44,957,592</u>	<u>44,957,592</u>		<u>9,009,697</u>	<u>9,009,697</u>
<u>900,969,747</u>	<u>900,969,747</u>			

7 REDEEMABLE CAPITAL

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

8 LONG-TERM FINANCING - SECURED

As at beginning of the period	5,676,677	7,852,268
Obtained during the period	-	387,500
Paid / settled during the period	555,255	2,563,091
Less Current portion	2,217,449	2,196,018
	<u>2,903,973</u>	<u>3,480,659</u>

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments	108,284	142,970
Less Current maturity	41,004	70,966
	<u>67,280</u>	<u>72,004</u>

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, 2022

12 PROPERTY, PLANT AND EQUIPMENT

Operating assets	12.1	22,655,022	22,909,984
Capital work-in-progress		<u>2,946,198</u>	<u>2,638,385</u>
		<u>25,601,220</u>	<u>25,548,369</u>
12.1 Operating assets			
Written down value at beginning of the period / year		22,909,985	23,227,301
Additions during the period / year	12.1.1	<u>51,180</u>	<u>1,106,197</u>
		22,961,165	24,333,498
Written down value of the assets disposed off / adjustments		9,052	230,819
Depreciation charged during the period / year		297,091	1,273,406
Rental Properties		<u>80,711</u>	<u>80,711</u>
		<u>22,655,022</u>	<u>22,909,984</u>
12.1.1 Additions during the period / year			
Land		-	61,901
Building		-	20,085
Plant and machinery		47,231	920,829
Office equipment and furniture		80	29,031
Computer hardware and allied items		3,085	36,360
Vehicles		<u>784</u>	<u>37,991</u>
		<u>51,180</u>	<u>1,106,197</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	12,748	10,944
	<u>12,748</u>	<u>10,944</u>

13.1 Investment in associate at cost - Quoted

Cost of investment	54,701	54,701
Share of post acquisition losses	(15,161)	(15,161)
	<u>39,540</u>	<u>39,540</u>
Accumulated impairment	(26,792)	(28,596)
	<u>12,748</u>	<u>10,944</u>

14 REVENUE

	Quarter Ended	
	March 31, 2023	March 31, 2022
	------(Rupees in thousand)-----	
Contract revenue	13,871	255,579
Sales - local	10,058,084	15,958,762
Sales - export	<u>37,259</u>	<u>74,446</u>
	10,109,214	16,288,787
Less: - sales tax and excise duty	1,504,858	2,337,324
- trade discounts	<u>463,002</u>	<u>1,291,658</u>
	1,967,860	3,628,982
	<u>8,141,354</u>	<u>12,659,805</u>
	8,141,354	

15 COST OF SALES

Raw material consumed	4,824,458	9,300,357
Direct wages	210,267	262,573
Factory overhead	<u>642,965</u>	<u>710,651</u>
Raw material, wages and FOH	5,677,691	10,273,581
Work-in-process		
-at beginning of period	1,417,998	2,027,690
-at end of period	<u>(1,678,945)</u>	<u>(2,004,479)</u>
	(260,947)	23,211
Cost of goods manufactured	5,416,744	10,296,792
Finished goods		
-at beginning of period	3,538,846	2,750,009
-at end of period	<u>(2,833,856)</u>	<u>(3,154,860)</u>
	704,990	(404,851)
	6,121,734	9,891,941
Contract cost	13,591	230,839
Cost of sales	<u>6,135,325</u>	<u>10,122,780</u>

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	37,407	311,959
Less: dividend payable on preference shares	10,677	10,677
Profit attributable to ordinary shares	<u>26,730</u>	<u>301,282</u>
Number of shares	(Number)	
Weighted average number of ordinary shares for the purpose of basic profit	856,012,155	856,012,155
Basic earnings per share (Rupees)	<u>0.03</u>	<u>0.35</u>

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	Un-audited
		March 31, 2023	March 31, 2022
		(Rupees in thousand)	
Provident Fund Trust	Contribution for the period	22,309	22,618
Associated company	Services acquired	12,920	9,004
Key Management Personnel	Short-term employee benefits	13,744	13,707
	Post employment benefits	498	582
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 28, 2023.

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, 2022 affecting this condensed interim financial information.


M. MURAD SAIGOL
Chief Executive Officer


M. ZEID YOUSUF SAIGOL
Director


SYED MANZAR HASSAN
Chief Financial Officer