

PAK ELEKTRON LIMITED

3rd QUARTER REPORT
(Un-Audited)
30-09-2023

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)
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

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. Ferozpur Road, Lahore
Tel: 042-35920151-9 (9 Lines)
Website: 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, 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

PAK ELEKTRON LIMITED
STATEMENT OF FINANCIAL POSITION (Un- Audited)
AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Rupees in Thousands)	December 31, 2022 (Rupees in Thousands)			September 30, 2023 (Rupees in Thousands)	December 31, 2022 (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	25,793,510	25,548,369
Issued share capital	6	9,009,697	9,009,697	Intangible assets		283,044	286,154
Share Premium		5,610,856	5,610,856	Advances for capital expenditure		11,867	33,288
Revaluation reserve		4,622,817	4,785,124			26,088,421	25,867,811
Retained earnings		20,654,076	19,552,222	Long-term investments	13	10,653	10,944
		39,897,447	38,957,899	Long-term deposits		526,810	508,053
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Redeemable Capital	7	-	-	Stores, spare parts and loose tools		817,630	857,065
Long term financing	8	1,897,916	3,480,659	Stock-in-trade		13,871,893	13,825,440
Lease Liabilities	9	56,474	72,004	Trade debts		11,980,864	15,681,038
Warranty obligations		166,618	191,223	Construction work in progress		672,801	787,864
Deferred taxation		3,275,764	3,262,446	Short Term Advances		3,022,191	3,087,358
Deferred income		28,835	29,958	Short term deposits and prepayments		1,371,241	1,407,512
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		4,786,460	1,452,174	Other receivables		214,123	293,767
Unclaimed Dividend		10,671	10,680	Short term investments		26,299	18,118
Accrued interest/ mark up		637,304	630,816	Advance income tax		2,940,430	3,287,334
Short term borrowings	10	10,257,320	15,559,787	Cash and bank balances		605,678	796,081
Current Portion of Non Current Liabilities		2,150,480	3,766,984			35,523,149	40,041,577
		17,842,235	21,420,441			63,165,288	67,414,630
CONTINGENCIES AND COMMITMENTS	11	-	-				
		63,165,288	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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023 (Un- Audited)

	Note	Nine Months Period Ended		Three Months Period ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Rupees in thousand)		(Rupees in thousand)	
Gross Sales	14	38,154,605	54,179,616	12,410,936	14,665,713
Sales Tax and discount		7,509,856	10,857,963	2,486,648	2,594,816
Net Sales		30,644,749	43,321,653	9,924,288	12,070,897
Cost of Sales	15	22,508,568	34,908,588	7,181,643	9,761,105
Gross Profit		8,136,181	8,413,065	2,742,645	2,309,792
Other Operating Income		39,838	23,827	(7,795)	6,639
		8,176,019	8,436,892	2,734,850	2,316,431
Distribution Cost		1,930,619	2,365,362	525,772	505,942
Administrative Cost		1,516,915	1,425,282	530,621	491,604
Other Operating Expenses		138,240	198,304	56,195	54,257
Finance Cost		2,860,381	2,257,058	889,866	755,789
Share of profit/(loss) of associate		(474)	(748)	(41)	(376)
Profit before Taxation		1,729,390	2,190,138	732,355	508,463
Provision for Taxation		783,051	691,542	314,609	154,666
Profit after Taxation/ comprehensive income		946,339	1,498,596	417,746	353,797
Earnings per share basic & diluted	16	1.07	1.98	0.48	0.46

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

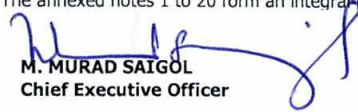

SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED**STATEMENT OF CHANGES IN EQUITY**

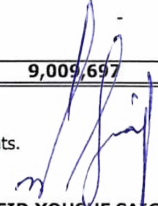
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023 (Un- Audited)

	Issued share Capital	Share Deposit Money	Capital reserves		Revenue reserves	Total
			Share premium	Revaluation reserve	Retained Earnings	
..... (Rupees in thousand)						
Balance as at January 1, 2022	5,426,392	1,790,000	4,279,947	5,353,956	18,176,520	35,026,815
Profit for the period	-	-	-	-	1,498,596	1,498,596
Other comprehensive loss				(6,752)		(6,752)
Incremental depreciation				(171,238)	171,238	-
Transaction with owners:						
Share deposit money received		3,226,629				3,226,629
Issue of right shares	3,583,305	(5,016,629)	1,433,324			-
Issue cost of right shares			(102,415)			(102,415)
	3,583,305	(1,790,000)	1,330,909	-	-	3,124,214
Balance as at September 30, 2022	9,009,697	-	5,610,856	5,175,966	19,846,354	39,642,873
Total comprehensive income for the period	-	-	-	-	(431,129)	(431,129)
Other comprehensive loss				(253,845)		(253,845)
Revaluation surplus realised on disposal				(98,814)	98,814	-
Incremental depreciation	-	-	-	(38,183)	38,183	-
Share deposit money received						-
Balance as at December 31, 2022	9,009,697	-	5,610,856	4,785,124	19,552,222	38,957,899
Profit for the period.	-	-	-	-	946,339	946,339
Other comprehensive loss				(6,791)		(6,791)
Incremental depreciation	-	-	-	(155,516)	155,516	-
Balance as at September 30, 2023	9,009,697	-	5,610,856	4,622,817	20,654,076	39,897,447

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

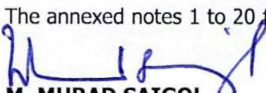



SYED MANZAR HASSAN
Chief Financial Officer

PAK ELEKTRON LIMITED**CASH FLOW STATEMENT****FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023 (Un- Audited)**

	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Cash flows from operating activities		
Profit/(Loss) before taxation	1,729,390	2,190,138
Adjustments for non cash items and others	3,755,056	3,187,537
Cash generated from operations before working capital changes	5,484,446	5,377,675
Working capital changes	7,245,096	(6,866,719)
Cash generated from operations	12,729,542	(1,489,044)
Finance cost paid	(2,792,618)	(1,938,366)
Income tax paid	(422,829)	(916,682)
Net cash used in operating activities	9,514,095	(4,344,092)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,171,809)	(1,837,418)
Purchase of intangible assets	(755)	797
Proceeds from disposal of property, plant and equipment	34,086	40,837
(Increase) / decrease in long-term deposits and advances	(48,767)	(11,251)
Net cash used in investing activities	(1,187,245)	(1,807,035)
Cash flows from financing activities		
Redemption of Redeemable capital	(1,500,000)	-
Long Term Finances obtained	12,500	387,500
Repayment of Long Term Finances	(1,699,929)	(2,135,254)
Increase/ (Decrease) in liabilities against finance lease	(27,348)	(107,829)
Increase / (Decrease) in Short Term Borrowing	(5,302,467)	4,953,258
Dividend paid	(9)	(55)
Share deposit money received		3,226,629
Issuance cost of right shares		(102,415)
Net cash from financing activities	(8,517,253)	6,221,834
Net increase/(decrease) in cash and cash equivalents	(190,403)	70,707
Cash and cash equivalents at beginning of the period	796,081	579,397
Cash and cash equivalents at end of the period	605,678	650,104

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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 nine months ended september 30, 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.

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

2.3 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

September 30, 2023	December 31, 2022		Un-audited September 30, 2023	Audited December 31, 2022
(Numbers)			(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

September 30, 2023	December 31, 2022		Note	Un-audited September 30, 2023	Audited December 31, 2022
Number of shares				(Rupees in thousand)	
731,081,721	731,081,721	Ordinary shares of Rs. 10 each fully paid		7,310,817	7,310,817
		In cash			
137,500	137,500	Other than cash:		1,375	1,375
		-against machinery			
408,273	408,273	-issued on acquisition of PEL Appliances Limited		4,083	4,083
		-issued against conversion of preference shares			
6,040,820	6,040,820	-as bonus shares		60,408	60,408
<u>118,343,841</u>	<u>118,343,841</u>			<u>1,183,438</u>	<u>1,183,438</u>
856,012,155	856,012,155	Fully paid A class preference shares of Rs. 10 each		8,560,122	8,560,122
		In cash			
<u>44,957,592</u>	<u>44,957,592</u>			<u>449,576</u>	<u>449,576</u>
<u>900,969,747</u>	<u>900,969,747</u>			<u>9,009,697</u>	<u>9,009,697</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 FINANCES

As at beginning of the period	5,676,677	7,852,268
Obtained during the period	12,500	387,500
Paid / settled during the period	1,699,929	2,563,091
Current portion	2,091,332	2,196,018
	<u>1,897,916</u>	<u>3,480,659</u>

9 LEASE LIABILITIES

Present value of minimum lease payments	115,622	142,970
Current maturity	59,148	70,966
	<u>56,474</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	22,082,044	23,510,728
	Capital work-in-progress		3,711,466	2,037,641
			<u>25,793,510</u>	<u>25,548,369</u>
12.1	Operating assets			
	Written down value at beginning of the period / year		22,909,985	23,828,045
	Additions during the period / year	12.1.1	121,989	1,106,197
			23,031,974	24,934,242
	Written down value of the assets disposed off / adjustments		29,955	230,819
	Depreciation charged during the period / year		919,975	1,273,406
	Rental Properties			80,711
			<u>22,082,044</u>	<u>23,510,728</u>
12.1.1	Additions during the period / year			
	Land		-	61,901
	Building		-	20,085
	Plant and machinery		70,276	920,829
	Office equipment and furniture		26,761	29,031
	Computer hardware and allied items		19,046	36,360
	Vehicles		5,906	37,991
			<u>121,989</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	10,653	10,944
			<u>10,653</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)
			39,540	39,540
	Accumulated impairment		(28,887)	(28,596)
			<u>10,653</u>	<u>10,944</u>

	Nine Months Period Ended		Three Months Period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
14	REVENUE			
	------(Rupees in thousand)-----			
	Contract revenue	26,334	652,113	12,463
	Sales - local	37,863,278	52,948,526	12,378,384
	Sales - export	264,993	578,977	20,089
		<u>38,154,605</u>	<u>54,179,616</u>	<u>12,410,936</u>
	Less: - sales tax	5,753,218	7,764,307	1,887,960
	- trade discount	1,756,638	3,093,656	598,688
		<u>7,509,856</u>	<u>10,857,963</u>	<u>2,486,648</u>
		<u>30,644,749</u>	<u>43,321,653</u>	<u>9,924,288</u>
15	COST OF SALES			
	Raw material consumed	19,109,444	32,935,994	7,344,605
	Direct wages	762,951	921,490	252,297
	Factory overhead	2,000,188	1,898,841	661,924
	Raw material, wages and FOH	<u>21,872,583</u>	<u>35,756,325</u>	<u>8,258,826</u>
	Work-in-process			
	-at beginning of period	1,417,998	2,027,690	1,727,901
	-at end of period	(1,519,424)	(2,226,378)	(1,519,424)
		<u>(101,426)</u>	<u>(198,688)</u>	<u>208,477</u>
	Cost of goods manufactured	<u>21,771,157</u>	<u>35,557,637</u>	<u>8,467,303</u>
	Finished goods			
	-at beginning of period	3,538,846	2,750,009	1,529,366
	-at end of period	(2,827,237)	(3,988,046)	(2,827,237)
		<u>711,609</u>	<u>(1,238,037)</u>	<u>(1,297,871)</u>
		<u>22,482,766</u>	<u>34,319,600</u>	<u>7,169,432</u>
	Contract cost	25,802	588,988	12,211
	Cost of sales	<u>22,508,568</u>	<u>34,908,588</u>	<u>7,181,643</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	946,339	1,498,596
Less: dividend payable on preference shares	32,032	32,032
Profit attributable to ordinary shares	914,307	1,466,564

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)	1.07	1.98
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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	Un-audited
		September 30, 2023	September 30, 2022
		(Rupees in thousand)	
Provident Fund Trust	Contribution for the period	68,486	67,578
Associated company	Services acquired	31,637	40,242
Key Management Personnel	Short-term employee benefits	36,852	39,214
	Post employment benefits	1,494	1,660
Sponsors	Share deposit money received	-	1,849,817
	Issue of ordinary shares	-	2,549,817

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 October 00, 2023.

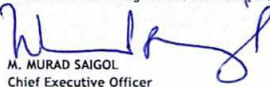
19 GENERAL

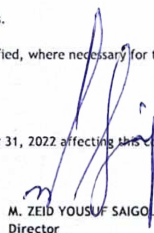
19.1 Figures have been rounded off to the nearest thousands.

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