

Interim Financial Report

for the first quarter ended
March 31, 2013



Pak Elektron Limited



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Company Information

Board of Directors

Mr. Naseem Saigol
Chief Executive Officer
Mr. Azam Saigol
Mr. Murad Saigol
Mr. Muhammad Zeid Yousaf Saigol
Mr. Haroon Ahmad Khan
Syed Manzar Hassan
Syed Zubair Ahmad Shah
NIT Nominee
Mrs. Tahira Raza
NBP Nominee U/S 182 of the Ordinance
Mr. Akbar Hasan Khan
NBP Nominee U/S 182 of the Ordinance
Mr. Muhammad Khurram Khawaja
NBP Nominee U/S 182 of the Ordinance
Mr. Khalid Siddiq Tirmizi
BOP Nominee U/S 182 of the Ordinance

Audit Committee

Mr. Azam Saigol
Chairman/Member
Mrs. Tahira Raza
Member
Syed Zubair Ahmad Shah
Member
Mr. Haroon Ahmad Khan
Member

HR & Remuneration Committee

Mr. Azam Saigol
Chairman/Member
Mr. Akbar Hasan Khan
Member
Syed Zubair Ahmad Shah
Member
Mr. Haroon Ahmad Khan
Member

Company Secretary

Muhammad Omer Farooq

Chief Financial Officer

Syed Manzar Hassan, FCA

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
(A member firm of Russell Bedford International)

Legal Advisors

M/s Hassan & Hassan Advocates

Shares Registrar

Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial
Model Town, Lahore.
Tel: 042-35839182, 35887262
Fax: 042-35869037

Bankers

Albaraka Islamic Bank
Bank Alfalah Limited
Bank of Khyber
Bank of Punjab
Burj Bank Limited
Faysal Bank Limited
KASB Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank
Summit Bank Limited

Registered Office

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 042-35718274-6
Fax: 042-35762707
E-mail: shares@saigols.com

Works

14-Km, Ferozepur Road, Lahore.
Tel: 042-35811951-7 (7 Lines)
Website: www.pel.com.pk

Transformer Facility

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

Karachi

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

Islamabad

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

China

206, No. 1007, Zhong Shan
Naun Er
Road, Shanghai, China.
Tel: 86-21-64567713,
Fax: 86-21-54109971

Directors' Review

The Directors are pleased to present their report for the first quarter ended March 31, 2013 together with company's unaudited consolidated financial information.

OPERATING RESULTS AND PERFORMANCE OVERVIEW

In the first quarter, your company performed satisfactorily with a profit attributable to share holders of Rs.68.587 million thus leading to earnings per share of Rs.0.48 as compared to a loss of Rs. (1.98) per share during the corresponding period of last year. .

SUMMARY OF RESULTS IN AS UNDER:

	Rupees in million		
	Quarter ended March 31, 2013	Quarter ended March 31, 2012	Increase / (Decrease)
Sales	4,119	4,366	(247)
Gross Profit	955	616	339
Financial cost	501	529	(28)
Profit / (loss) before tax	84	(276)	360
Profit / (loss) after tax	69	(225)	294
Earnings per share	0.48	(1.98)	2.46

The performance of the Company's both power and appliances divisions during the current period showed significant improvement over the corresponding period of last financial year.

Appliances Division

In appliances business despite energy crises we have achieved good impetus in the current quarter. Sales outlook for the second quarter which is the peak season for appliances is looking positive. With the introduction of new models in our refrigerator range demand for PEL refrigerator is showing positive trends. This is expected to yield good revenues and margins.

Power Division

Power division sales remained steady during the quarter. Sales during first quarter mainly consisted of lower rating transformers. Despite lower sales, margins showed slight improvement due to reduction in material prices of major raw materials.

Future Outlook

As we are entering into general elections phase for the time being economic activities would take a pause before the things start to normalize again. We join the nation in this expectation that post election scenario would emerge into stronger and stable Pakistan both economically and politically.

Pak rupee continues to devalue against the dollar which is escalating inflation in the country. State bank and government should take appropriate measures to check the continuous rupee fall.

Acknowledgement

We take this opportunity to thank all our customers, shareholders, bankers, employees, CBA and workers for their continued support and guidance.

For and on behalf of the Board of Directors

Lahore
April 29, 2013

Naseem Saigol
Chairman

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Condensed Interim Consolidated Financial Information

Condensed Interim Consolidated Balance Sheet (Un-audited) as at March 31, 2013

	Note	March 31, 2013	December 31, 2012
		<i>Rupees '000</i> <i>(Un-Audited)</i>	<i>Rupees '000</i> <i>(Audited)</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital	3	2,500,000	2,500,000
Issued, subscribed and paid up capital	4	1,668,264	1,668,264
Reserves		164,134	164,134
Unappropriated profit		2,189,775	2,075,931
		4,022,173	3,908,329
SURPLUS ON REVALUATION		3,828,248	3,873,505
NON-CURRENT LIABILITIES			
Long-term financing	5	5,579,848	5,587,486
Liabilities against assets subject to finance lease	6	28,327	33,555
Deferred taxation		1,915,918	1,930,107
Deferred income		49,413	50,037
CURRENT LIABILITIES			
Trade and other payables		1,536,601	1,692,148
Interest/ mark-up accrued on loans and payables		1,337,509	1,245,579
Short-term borrowings		7,486,414	6,815,091
Current portion of:			
-long-term financing	5	43,575	40,729
-liabilities against assets subject to finance lease	6	36,185	38,218
		10,440,284	9,831,765
Contingencies and Commitments	7	-	-
		25,864,211	25,214,784

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

	Note	March 31, 2013	December 31, 2012
		<i>Rupees '000</i> <i>(Un-Audited)</i>	<i>Rupees '000</i> <i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,707,392	13,811,250
Intangible assets		310,106	310,969
		14,017,498	14,122,219
Long-term investments		8,004	10,216
Long-term deposits		65,717	65,898
CURRENT ASSETS			
Stores, spare parts and loose tools		121,785	126,792
Stock-in-trade		4,958,105	3,789,580
Trade debts		5,315,303	5,775,681
Advances		584,125	527,751
Trade deposits and short-term prepayments		273,621	290,799
Other receivables		34,203	19,662
Other financial assets		12,773	11,663
Income tax refundable		275,996	258,174
Cash and bank balances		197,081	216,349
		11,772,992	11,016,451
		25,864,211	25,214,784

HAROON A. KHAN
Director

Condensed Interim Consolidated Profit and Loss Account/Condensed Statement of Comprehensive Income (Un-audited) for the quarter ended March 31, 2013

	Note	March 31, 2013	March 31, 2012
		Rupees '000 (Un-Audited)	Rupees '000 (Un-Audited)
Gross Sales	9	4,119,057	4,366,386
Sales Tax and discount		573,048	580,823
Net Sales		3,546,009	3,785,563
Cost of Sales	10	2,590,972	3,169,849
Gross Profit		955,037	615,714
Other Operating Income		1,895	10,629
		956,932	626,343
Distribution Cost		195,060	209,815
Administrative Cost		174,446	163,042
Other Operating Expenses		53	-
Finance Cost		501,142	529,246
Share of loss of associate		(2,372)	-
Profit /(Loss) Before Tax		83,859	(275,760)
Provision for Taxation		15,272	(50,486)
Profit /(Loss) For the year		68,587	(225,274)
Other comprehensive income		-	-
Total comprehensive income for the period		68,587	(225,274)
Earnings / (loss) per share basic- Rupees	11	0.48	(1.98)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited) for the quarter March ended 31, 2013

	March 31, 2013	March 31, 2012
	Rupees '000 (Un-Audited)	Rupees '000 (Un-Audited)
Cash flows from operating activities		
Profit before taxation	83,859	(275,760)
Adjustments for:		
Depreciation on property, plant and equipment	190,723	171,263
Amortization of intangible assets	864	2,139
Share of profit/(Loss) of associate	2,372	-
Provision for impairment in value of investments	(160)	(4,919)
Finance cost	501,142	529,246
Provision for doubtful debts, advances and security deposits	-	30,000
Provision/(reversal) for compensated absences	3,252	-
Loss/(gain) due to change in the fair value of other financial assets	(1,110)	(2,312)
Deferred Income (Amortization of grant-in-aid)	(625)	(658)
Gain on sale and lease back activities (net of amortization during the year)	-	(2,380)
Loss/(gain) on disposal of property, plant and equipment	53	-
	696,511	722,379
Cash generated from operations before working capital changes	780,370	446,619
Working capital changes	(913,263)	(622,434)
Cash generated from operations	(132,893)	(175,815)
Finance cost paid	(409,212)	(318,820)
Compensated absence paid	(2,264)	(7,537)
Income tax paid	(47,283)	(42,212)
	(458,759)	(368,569)
Net cash used in operating activities	(591,652)	(544,384)
Cash flows from investing activities		
Purchase of property, plant and equipment	(88,805)	(3,004)
Purchase of intangible assets	-	-
Proceeds from disposal of property, plant and equipment	1,886	-
(Increase) / decrease in long-term deposits	33	-
Net cash used in investing activities	(86,886)	(3,004)
Cash flows from financing activities		
Increase / (Decrease) in Long Term Financing	(4,792)	-
Increase/ (Decrease) in liabilities against finance lease	(7,261)	(10,816)
Increase / (Decrease) in Short Term Borrowing	671,323	601,708
Net cash from financing activities	659,270	590,892
Net increase/(decrease) in cash and cash equivalents	(19,268)	43,504
Cash and cash equivalents at beginning of the period	216,349	161,865
Cash and cash equivalents at end of the period	197,081	205,369

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Consolidated Condensed Interim Statement of Changes in Equity for the quarter ended March 31, 2013

	Share capital <i>Rupees '000</i>	Capital reserves Premium on issue of shares <i>Rupees '000</i>	Revenue reserves Unappropriated profit <i>Rupees '000</i>	Total <i>Rupees '000</i>
Balance as at December 31, 2011	1,668,264	164,134	1,770,706	3,603,104
Total comprehensive loss for the period	-	-	(225,274)	(225,274)
Transfer to unappropriated profits on account of incremental depreciation charged during the year - net of deferred taxation	-	-	47,639	47,639
Balance as at March 31, 2012	1,668,264	164,134	1,593,071	3,425,469
Total comprehensive income for the period	-	-	339,939	339,939
Transfer to unappropriated profits on account of incremental depreciation charged during the year - net of deferred taxation	-	-	142,921	142,921
Balance as at December 31, 2012	1,668,264	164,134	2,075,931	3,908,329
Total comprehensive income for the period			68,587	68,587
Transfer to unappropriated profits on account of incremental depreciation charged during the year - net of deferred taxation			45,257	45,257
Balance as at March 31, 2013	1,668,264	164,134	2,189,775	4,022,173

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Notes to the Consolidated Condensed Interim Financial Information (Un-audited) for the quarter ended March 31, 2013

1 LEGAL STATUS AND OPERATIONS

1.1 The Group consists of:

Parent Company - Pak Elektron Limited
Subsidiary Company - PEL Marketing (Private) Limited

Parent Company

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

The Parent Company is currently organized into two main operating divisions - Power Division and Appliances Division. The Parent Company's activities are as follows:

- Power Division: manufacturing and distribution of transformers, switchgears, energy meters, power transformers, construction of grid stations and electrification works.
- Appliances Division: manufacturing, assembling and distribution of refrigerators, air conditioners, microwave ovens, televisions, generators and washing machines.

Subsidiary Company

PEL Marketing (Private) Limited ("PMPL" or "the Subsidiary Company") was incorporated in Pakistan on August 11, 2011 as a private limited company under the Companies Ordinance, 1984. Registered office of the Subsidiary Company is situated at 17 - Aziz Avenue, Canal Bank, Gulberg - V, Lahore. The principal activity of the Subsidiary Company is sale of electrical capital goods and domestic appliances.

1.2 These consolidated financial statements are presented in Pak Rupees, which is the functional currency of the Group and figures are rounded off to the nearest thousand of rupees unless otherwise stated.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of The Companies Ordinance, 1984 and the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended December 31, 2012.

These financial statements have been prepared under " Historical cost convention " except for certain fixed assets which are stated at revalued amount / fair value and certain financial assets which are stated at fair value.

2.1 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these un-audited financial statements are consistent with those applied in preparation of preceding published financial statements of the Company for the year ended December 31, 2012.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited) for the quarter ended March 31, 2013

			March 31 2013	December 31 2012	
			Rupees '000 (Un-audited)	Rupees '000 (Audited)	
3.	AUTHORIZED SHARE CAPITAL				
	March 31 2013 No. of shares	December 31 2012 No. of shares			
	150,000,000	150,000,000	Ordinary shares of Rs. 10/- each	1,500,000	1,500,000
	62,500,000	62,500,000	A' class preference shares of Rs. 10/- each	625,000	625,000
	37,500,000	37,500,000	B' class preference shares of Rs. 10/- each	375,000	375,000
	100,000,000	100,000,000		1,000,000	1,000,000
	250,000,000	250,000,000		2,500,000	2,500,000
4.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
	March 31 2013 No. of shares	December 31 2012 No. of shares			
	23,749,434	23,749,434	Fully paid ordinary shares of Rs. 10/- each		
			In cash	237,494	237,494
			Other than cash:		
	91,532,718	91,532,718	-as bonus shares	915,328	915,328
	137,500	137,500	-against machinery	1,375	1,375
	408,273	408,273	-issued on acquisition of PEL Appliance Ltd.	4,083	4,083
	6,040,820	6,040,820	-issued against conversion of preference shares	60,408	60,408
	121,868,745	121,868,745		1,218,688	1,218,688
			Fully paid A class preference shares of Rs. 10/- each		
	44,957,592	44,957,592	In cash	449,576	449,576
	166,826,337	166,826,337		1,668,264	1,668,264
5.	LONG-TERM FINANCING-SECURED				
	Opening balance		5,628,215	5,655,227	
	Add:				
	Obtained during the period		-	-	
			5,628,215	5,655,227	
	Less:				
	Paid during the period		4,792	27,012	
			5,623,423	5,628,215	
	Less:				
	Current portion payable within next twelve months		43,575	40,729	
			5,579,848	5,587,486	
6.	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE				
	Present value of minimum lease payments		64,512	71,773	
	Less: Current portion payable within next twelve months		36,185	38,218	
			28,327	33,555	

There are no material changes in contingencies and commitments as disclosed in the notes to the financial statements for the year ended December 31, 2012.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited) for the quarter ended March 31, 2013

	March 31 2013	December 31 2012
	Rupees '000 (Un-audited)	Rupees '000 (Audited)
8. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	13,327,338	13,465,258
Capital work in progress	380,054	345,992
	13,707,392	13,811,250
Opening written down value	13,465,258	13,765,829
Surplus on revaluation of property, plant and equipments	-	102,025
Additions/transferred during the period (at cost)	54,743	314,162
	13,520,001	14,182,016
Written down value of the assets disposed off	1,940	14,313
Depreciation charged during the period	190,723	702,445
	13,327,338	13,465,258
	March 31 2013	March 31 2012
	Rupees '000 (Un-audited)	Rupees '000 (Un-audited)
9. SALES		
Contract Revenue	58,765	251,914
Local	3,494,189	3,528,908
Export	566,103	585,564
	4,119,057	4,366,386
Less:		
Sales tax and excise duty	436,026	456,468
Discount	137,022	124,355
	573,048	580,823
	3,546,009	3,785,563
10. COST OF SALES		
Raw material consumed	2,468,380	2,286,214
Direct wages	134,793	128,121
Factory overhead	407,488	379,390
	3,010,661	2,793,725
Work-in-process		
-at beginning of period	855,069	939,364
-at end of period	(815,982)	(776,417)
	39,087	162,947
Cost of goods manufactured	3,049,748	2,956,672
Finished goods		
-at beginning of period	354,649	405,301
-finished goods purchased	-	80,015
-at end of period	(864,611)	(460,084)
	(509,962)	25,232
Cost of goods sold	2,539,786	2,981,904
Contract cost	51,186	187,945
	2,590,972	3,169,849

Notes to the Consolidated Condensed Interim Financial Information (Un-audited) for the quarter ended March 31, 2013

11. EARNINGS / (LOSS) PER ORDINARY SHARE - BASIC AND DILUTED

The calculation of basic and diluted earnings / (loss) per ordinary share is based on the following data:

	March 31 2013	March 31 2012
	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>
Earnings / (Loss)		
Profit/ (Loss) for the period	68,587	(225,274)
Less: dividend payable on preference shares	10,677	16,522
Profit/ (Loss) attributable to ordinary shares	57,910	(241,796)
Number of shares	No. of shares	No. of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	121,868,745	121,868,745
Effect of dilutive potential ordinary shares	44,957,592	44,580,884
	166,826,337	166,449,629
Basic and diluted earnings / (loss) per share have been calculated through dividing profit / (loss) as stated above by weighted average number of ordinary shares.		
Basic earning /(loss) per share (rupees)	0.48	(1.98)

12. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 29, 2013 by the Board of Directors of the Company.

13. GENERAL

Figures have been rounded off to the nearest thousand rupee, unless otherwise stated.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Condensed Interim Financial Information

Condensed Interim Balance Sheet (Un-audited) as at March 31, 2013

	Note	March 31, 2013	December 31, 2012
		Rupees '000 (Un-Audited)	Rupees '000 (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital	3	2,500,000	2,500,000
Issued, subscribed and paid up capital	4	1,668,264	1,668,264
Reserves		164,134	164,134
Unappropriated profit		1,969,732	1,906,460
		3,802,130	3,738,858
SURPLUS ON REVALUATION PROPERTY, PLANT AND EQUIPMENT		3,828,248	3,873,505
NON-CURRENT LIABILITIES			
Long-term financing	5	5,579,848	5,587,486
Liabilities against assets subject to finance lease	6	28,327	33,555
Deferred taxation		1,891,047	1,905,840
Deferred income		49,413	50,037
CURRENT LIABILITIES			
Trade and other payables		1,335,187	1,558,305
Interest/ mark-up accrued on loans and payables		1,337,509	1,245,579
Short-term borrowings		7,486,414	6,815,091
Current portion of:			
-long-term financing	5	43,575	40,729
-liabilities against assets subject to finance lease	6	36,185	38,218
		10,238,870	9,697,922
CONTINGENCIES AND COMMITMENTS		7	-
		25,417,883	24,887,203

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

	Note	March 31, 2013	December 31, 2012
		Rupees '000 (Un-Audited)	Rupees '000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,707,392	13,811,250
Intangible assets		310,106	310,969
		14,017,498	14,122,219
Long-term investments		8,104	10,316
Long-term deposits		65,717	65,898
CURRENT ASSETS			
Stores, spare parts and loose tools		121,785	126,792
Stock-in-trade		4,568,895	3,673,456
Trade debts		5,251,713	5,581,876
Advances		584,125	527,751
Trade deposits and short-term prepayments		273,621	290,799
Other receivables		34,203	19,662
Other financial assets		12,773	11,663
Income tax refundable		306,026	271,584
Cash and bank balances		173,423	185,187
		11,326,564	10,688,770
		25,417,883	24,887,203

HAROON A. KHAN
Director

Condensed Interim Profit and Loss Account/Condensed Statement of Comprehensive Income (Un-audited) for the quarter ended March 31, 2013

	Note	March 31, 2013	March 31, 2012
		Rupees '000 (Un-Audited)	Rupees '000 (Un-Audited)
Gross Sales	9	3,803,891	3,914,863
Sales Tax and discount		436,440	456,551
Net Sales		3,367,451	3,458,312
Cost of Sales	10	2,864,058	3,160,297
Gross Profit		503,393	298,015
Other Operating Income		1,735	10,629
		505,128	308,644
Distribution Cost		57,927	67,769
Administrative Cost		88,682	163,042
Other Operating Expenses		2,265	-
Finance Cost		336,193	519,720
Profit /(Loss) Before Taxation		20,061	(441,887)
Provision for Taxation		2,046	(65,740)
Profit /(Loss) For the year		18,015	(376,147)
Other comprehensive income		-	-
Total comprehensive income for the period		18,015	(376,147)
Earnings / (loss) per share- basic & diluted	11	0.06	(3.22)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited) for the quarter March ended 31, 2013

	March 31, 2013	March 31, 2012
	Rupees '000	Rupees '000
	(Un-Audited)	(Un-Audited)
Cash flows from operating activities		
Profit before taxation	20,061	(441,887)
Adjustments for:		
Depreciation on property, plant and equipment	190,723	171,263
Amortization of intangible assets	864	2,139
Provision for impairment in value of investments	2,212	(4,919)
Finance cost	336,193	519,720
Provision for doubtful debts, advances and security deposits	-	30,000
Provision/(reversal) for compensated absences	3,252	-
Loss/(gain) due to change in the fair value of other financial assets	(1,110)	(2,312)
Deferred Income (Amortization of grant-in-aid)	(625)	(658)
Gain on sale and lease back activities (net of amortization during the year)	-	(2,380)
Gain on disposal of property, plant and equipment	53	-
	531,562	712,853
Cash generated from operations before working capital changes	551,623	270,966
Working capital changes	(837,963)	(527,446)
Cash generated from operations	(286,340)	(256,480)
Finance cost paid	(244,263)	(309,294)
Compensated absence paid	(2,264)	(7,537)
Income tax paid	(51,281)	(42,212)
	(297,808)	(359,043)
Net cash used in operating activities	(584,148)	(615,523)
Cash flows from investing activities		
Purchase of property, plant and equipment	(88,805)	(3,004)
Proceeds from disposal of property, plant and equipment	1,886	-
(Increase) / decrease in long-term deposits	33	-
Net cash used in investing activities	(86,886)	(3,004)
Cash flows from financing activities		
Increase / (Decrease) in Long Term Financing	(4,792)	-
Increase/ (Decrease) in liabilities against finance lease	(7,261)	(10,816)
Increase / (Decrease) in Short Term Borrowing	671,323	601,708
Net cash from financing activities	659,270	590,892
Net increase/(decrease) in cash and cash equivalents	(11,764)	(27,635)
Cash and cash equivalents at beginning of the period	185,187	123,324
Cash and cash equivalents at end of the period	173,423	95,689

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Condensed Interim Statement of Changes in Equity for the quarter ended March 31, 2013

	Share capital Rupees '000	Capital reserves Premium on issue of shares Rupees '000	Revenue reserves Unappropriated profit Rupees '000	Total Rupees '000
Balance as at December 31, 2011	1,668,264	164,134	1,665,649	3,498,047
Total comprehensive loss for the period	-	-	(376,147)	(376,147)
Transfer to unappropriated profits on account of incremental depreciation charged during the year - net of deferred taxation	-	-	47,639	47,639
Balance as at March 31, 2012	1,668,264	164,134	1,337,141	3,169,539
Total comprehensive income for the period	-	-	426,398	426,398
Transfer to unappropriated profits on account of incremental depreciation charged during the year - net of deferred taxation	-	-	-	-
	-	-	142,921	142,921
Balance as at December 31, 2012	1,668,264	164,134	1,906,460	3,738,858
Total comprehensive income for the period	-	-	18,015	18,015
Transfer to unappropriated profits on account of incremental depreciation charged during the year - net of deferred taxation	-	-	45,257	45,257
Balance as at March 31, 2013	1,668,264	164,134	1,969,732	3,802,130

The annexed notes 1 to 13 form an integral part of these financial statements.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

Notes to the Condensed Interim Financial Information (Un-Audited) for the quarter ended March 31, 2013

1 COEPORATE INFORMATION

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

The Company is currently organized into two main operating divisions - Power Division & Appliances Division. The Company's activities are as follows:

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

Appliances Division: manufacturing, assembling and distribution of refrigerators, air conditioners, microwave ovens, televisions, generators and washing machines.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the first quarter ended March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is presented in Pak Rupees, which is the functional currency of the Company and figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

2.1 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these un-audited financial statements are consistent with those applied in preparation of preceding published financial statements of the Company for the year ended December 31, 2012.

			March 31 2013	December 31 2012
			Rupees '000 <i>(Un-audited)</i>	Rupees '000 <i>(Audited)</i>
3. AUTHORIZED SHARE CAPITAL				
March 31 2013	December 31 2012			
No. of shares	No. of shares			
150,000,000	150,000,000	Ordinary shares of Rs. 10/- each	1,500,000	1,500,000
62,500,000	62,500,000	A' class preference shares of Rs. 10/- each	625,000	625,000
37,500,000	37,500,000	B' class preference shares of Rs. 10/- each	375,000	375,000
100,000,000	100,000,000		1,000,000	1,000,000
250,000,000	250,000,000		2,500,000	2,500,000

Notes to the Condensed Interim Financial Information (Un-Audited) for the quarter ended March 31, 2013

			March 31 2013	December 31 2012
			Rupees '000 <i>(Un-audited)</i>	Rupees '000 <i>(Audited)</i>
4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
	March 31 2013	December 31 2012		
	No. of shares	No. of shares		
	23,749,434	23,749,434		
	91,532,718	91,532,718		
	137,500	137,500		
	408,273	408,273		
	6,040,820	6,040,820		
	121,868,745	121,868,745		
	44,957,592	44,957,592		
	166,826,337	166,826,337		

			March 31 2013	December 31 2012
			Rupees '000 <i>(Un-audited)</i>	Rupees '000 <i>(Audited)</i>
5. LONG-TERM FINANCING-SECURED				
	Opening balance		5,628,215	5,655,227
	Add:			
	Obtained during the period		-	-
			5,628,215	5,655,227
	Less:			
	Paid during the period		4,792	27,012
			5,623,423	5,628,215
	Less:			
	Current portion payable within next twelve months		43,575	40,729
			5,579,848	5,587,486

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE				
	Present value of minimum lease payments		64,512	71,773
	Less: Current portion payable within next twelve months		36,185	38,218
			28,327	33,555

7. CONTINGENCIES AND COMMITMENTS

There are no material changes in contingencies and commitments as disclosed in the notes to the financial statements for the year ended December 31, 2012.

Notes to the Condensed Interim Financial Information (Un-Audited) for the quarter ended March 31, 2013

	March 31 2013	December 31 2012
	Rupees '000 <i>(Un-audited)</i>	Rupees '000 <i>(Audited)</i>
8. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	13,327,338	13,465,258
Capital work in progress	380,054	345,992
	13,707,392	13,811,250
Opening written down value	13,465,258	13,765,829
Surplus on revaluation of property, plant and equipments	-	102,025
Additions/transferred during the period (at cost)	54,743	314,162
	13,520,001	14,182,016
Written down value of the assets disposed off	1,940	14,313
Depreciation charged during the period	190,723	702,445
	13,327,338	13,465,258
	March 31 2013	March 31 2012
	Rupees '000 <i>(Un-audited)</i>	Rupees '000 <i>(Un-audited)</i>
9. SALES		
Contract Revenue	58,765	251,914
Local	3,179,023	3,077,385
Export	566,103	585,564
	3,803,891	3,914,863
Less:		
Sales tax and excise duty	436,026	456,468
Discount	414	83
	436,440	456,551
	3,367,451	3,458,312
10. COST OF SALES		
Raw material consumed	2,468,380	2,262,431
Direct wages	134,793	128,121
Factory overhead	407,488	379,390
	3,010,661	2,769,942
Work-in-process		
-at beginning of period	855,069	939,364
-at end of period	(815,982)	(776,417)
	39,087	162,947
Cost of goods manufactured	3,049,748	2,932,889
Finished goods		
-at beginning of period	238,525	294,560
-finished goods purchased	-	80,015
-at end of period	(475,401)	(335,112)
	(236,876)	39,463
Cost of goods sold	2,812,872	2,972,352
Contract cost	51,186	187,945
	2,864,058	3,160,297

Notes to the Condensed Interim Financial Information (Un-Audited) for the quarter ended March 31, 2013

11. EARNINGS / (LOSS) PER ORDINARY SHARE - BASIC AND DILUTED

The calculation of basic and diluted earnings / (loss) per ordinary share is based on the following data:

	March 31 2013	March 31 2012
	Rupees '000 (Un-audited)	Rupees '000 (Un-audited)
Earnings / (Loss)		
Profit / (loss) for the period	18,015	(376,147)
Less: dividend payable on preference shares	10,677	16,522
Profit / (loss) attributable to ordinary shares	7,338	(392,669)
Number of shares	No. of shares	No. of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	121,868,745	121,868,745
Effect of dilutive potential ordinary shares	44,957,592	44,957,592
	166,826,337	166,826,337
Basic and diluted earning / (loss) per share have been calculated through dividing profit / (loss) as stated above by weighted average number of ordinary shares.		
Basic earnings / (loss) per share (rupees)	0.06	(3.22)

12. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 29, 2013 by the Board of Directors of the Company.

13. GENERAL

Figures have been rounded off to the nearest thousand rupee, unless otherwise stated.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director



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