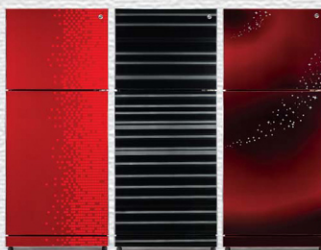




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COMPANY INFORMATION

Board of Directors

Mr. M. Naseem Saigol
Mr. M. Azam Saigol
Mr. M. Murad Saigol
Mr. Muhammad Zeid Yousuf Saigol
Mr. Haroon Ahmad Khan
Syed Manzar Hassan
Syed Zubair Ahmad Shah
Mrs. Tahira Raza
Mr. Wajahat A. Baqai
Mr. Khadim Hussain
Mr. Khalid Siddiq Tirmizey
Mr. Munaaf Ibrahim

Chairman
Non Executive
Executive/Certified (DTP)
Executive/Certified (DTP)
Executive/Certified (DTP)
Executive
NIT Nominee (Independent)
NBP Nominee U/S 182 of the Ordinance/Non Executive
NBP Nominee U/S 182 of the Ordinance/Non Executive
NBP Nominee U/S 182 of the Ordinance/Non Executive
BOP Nominee U/S 182 of the Ordinance/Non Executive
Independent

Audit Committee

Mr. M. Azam Saigol
Mrs. Wajahat A. Baqai
Syed Zubair Ahmad Shah
Mr. Haroon Ahmad Khan

Chairman/Member
Member
Member
Member

HR & Remuneration Committee

Mr. M. Azam Saigol
Mr. Haroon Ahmad Khan
Syed Zubair Ahmad Shah
Mr. Manzar Hassan

Chairman/Member
Member
Member
Member

Company Secretary

Muhammad Omer Farooq

Chief Financial Officer

Syed Manzar Hassan, FCA

Karachi

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

Auditors

M/s Rehman Sarfraz Rahim Iqbal Rafiq & Co.
Chartered Accountants

Islamabad

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

Legal Advisor

M/s Haasan & Hassan Advocates

China

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

Registered Office

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

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
NIB Bank Limited
Meezan Bank Limited
Askari Bank Limited

Share Registrar

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

Works

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

Transformer Facility

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

DIRECTORS' REVIEW

The Directors are pleased to present their report for the first quarter ended March 31, 2014 together with company's un-audited consolidated financial information.

OPERATING RESULTS AND PERFORMANCE OVERVIEW

In the first quarter, company performed well with a net profit after tax of Rs.253.374 million resulting in earnings per share of Rs.0.91 as compared to Rs. 0.48 per share during the corresponding period of last year despite more than doubling of company's share capital.

Summary of results is as under:

(Rupees in million)	Quarter ended March 31, 2014	Quarter ended March 31, 2013	Increase / (decrease)
Sales	5,054	4,119	935
Gross profit	1,214	955	259
Finance cost	482	501	(19)
Profit before tax	297	84	213
Profit after tax	253	69	184
Earnings per share	0.91	0.48	

Performance of the Company in both power and appliances divisions during the current period showed significant improvement over the corresponding period of last financial year.

Appliances Division

Company is geared up for higher sales volumes in the current year. Sales in first quarter is normally a starter which peaks in the second quarter. Our sales value is higher by 38% over the corresponding first quarter of last year. Appliances market is looking good and your company is well positioned to make higher supplies to make higher sales and to reap good profitability. With the introduction of new models in our refrigerator range demand for PEL refrigerator is showing positive trends. Other appliances products like Deep freezers, Air conditioners, Microwave ovens have also started pouring their share into the Company's sales

Power Division

Sales value remained higher by about 10% in power division in comparison to first quarter of last year. Company is working on new designs and prototypes for different power division products to rationalize costs without compromising on quality. State of inertia in distribution transformers ordering has started to fade away and new orders have started flowing in from Discos on top of continuous ordering from private customers and our in house EPC department with reasonable ordering outlook we are optimistic that we would be able to meet our budgeted sales for the power division during the course of the financial year.

Future Outlook

The sales and profitability outlook seems promising for the current financial year. We hope that your company would be able to achieve its targets for both Power and Appliances divisions and by the grace of Almighty would earn healthy profitability. However continuing load shedding, soaring inflation resulting in higher interest rates are impediments in our road to stability.

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 30, 2014

Naseem Saigol
Chief Executive Officer

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at March 31, 2014

(Rupees in thousand)	Note	Un-Audited March 31 2014	Audited December 31 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital	3	4,000,000	4,000,000
Issued, subscribed and paid up capital	4	3,130,689	3,130,689
Reserves		529,740	529,740
Unappropriated profit		3,191,527	2,885,041
		6,851,956	6,545,470
SURPLUS ON REVALUATION			
		4,559,145	4,612,256
NON-CURRENT LIABILITIES			
Redeemable Capital	5	2,464,286	2,464,286
Long-term financing	6	6,096,758	3,233,175
Liabilities against assets subject to finance lease	7	31,831	30,685
Deferred taxation		2,426,847	2,426,847
Deferred income		46,942	47,535
CURRENT LIABILITIES			
Trade and other payables		1,028,670	945,608
Interest/ mark-up accrued on loans and payables		620,874	1,454,626
Short-term borrowings		3,103,660	4,960,209
Current Portion of Non Current Liabilities		454,364	422,019
		5,207,568	7,782,462
Contingencies and Commitments	8	-	-
		27,685,333	27,142,716

The annexed notes 1 to 14 form and integral part of this condensed interim consolidated financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at March 31, 2014

(Rupees in thousand)	Note	Un-Audited March 31 2014	Audited December 31 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	14,694,327	14,818,060
Intangible assets		347,666	348,962
		15,041,993	15,167,022
Long-term investments		9,605	8,295
Long-term deposits		122,025	119,677
CURRENT ASSETS			
Stores, spare parts and loose tools		292,595	285,771
Stock-in-trade		4,609,970	3,883,379
Trade debts		5,497,995	5,665,870
Advances		892,759	879,586
Trade deposits and short-term prepayments		468,195	453,055
Other receivables		32,003	25,289
Other financial assets		69,500	22,785
Income tax refundable		394,905	354,183
Cash and bank balances		253,788	277,804
		12,511,710	11,847,722
		27,685,333	27,142,716

The annexed notes 1 to 14 form and integral part of this condensed interim consolidated financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT / STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended March 31, 2014 (Un-Audited)

(Rupees in thousand)	Note	March 31 2014	March 31 2013
Gross Sales	10	5,053,989	4,119,057
Sales Tax and discount	10	715,645	573,048
Net Sales		4,338,344	3,546,009
Cost of Sales	11	3,124,498	2,590,972
Gross Profit		1,213,846	955,037
Other Operating Income		6,139	1,895
		1,219,985	956,932
Distribution Cost		223,330	195,060
Administrative Cost		187,343	174,446
Other Operating Expenses		26,970	53
Finance Cost		482,300	501,142
Share of loss of associate		3,285	2,372
Profit before tax		296,757	83,859
Provision for taxation		43,383	15,272
Profit for the period		253,374	68,587
Other comprehensive income		-	-
Total comprehensive income		253,374	68,587
Earnings per share - Rupees Basic & diluted	12	0.91	0.48

The annexed notes 1 to 14 form and integral part of this condensed interim consolidated financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the quarter ended March 31, 2014 (Un-Audited)

(Rupees in thousand)	March 31 2014	March 31 2013
Cash flows from operating activities		
Profit before taxation	296,757	83,859
Adjustments for non-cash and other items	674,899	696,511
Cash generated from operations before working capital changes	971,656	780,370
Working capital changes	(516,666)	(913,263)
Cash generated from / (used in) operations	454,990	(132,893)
Finance cost paid	(1,316,052)	(409,212)
Compensated absence paid	(6,199)	(2,264)
Income tax paid	(84,105)	(47,283)
	(1,406,356)	(458,759)
Net cash used in operating activities	(951,366)	(591,652)
Cash flows from investing activities		
Purchase of property, plant and equipment	(62,958)	(88,805)
Proceeds from disposal of property, plant and equipment	2,350	1,886
Purchase of other financial assets	(50,219)	-
(Increase) / decrease in long-term deposits	(2,348)	33
Net cash used in investing activities	(113,175)	(86,886)
Cash flows from financing activities		
Increase / (Decrease) in Long Term Financing	2,904,318	(4,792)
Increase/ (Decrease) in liabilities against finance lease	(7,244)	(7,261)
Increase / (Decrease) in Short Term Borrowing	(1,856,549)	671,323
Net cash from financing activities	1,040,525	659,270
Net increase/(decrease) in cash and cash equivalents	(24,016)	(19,268)
Cash and cash equivalents at beginning of the period	277,804	216,349
Cash and cash equivalents at end of the period	253,788	197,081

The annexed notes 1 to 14 form and integral part of this condensed interim consolidated financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the quarter ended March 31, 2014 (Un-Audited)

(Rupees in thousand)	Share capital	Capital reserves	Revenue reserves	Total
		Premium on issue of shares	Unappropriated profit	
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
Incremental depreciation	-	-	45,257	45,257
Balance as at March 31, 2013	1,668,264	164,134	2,189,775	4,022,173
Total comprehensive income for the period	-	-	538,740	538,740
Issue of right ordinary shares	1,462,425	365,606	-	1,828,031
Incremental depreciation	-	-	156,526	156,526
Balance as at December 31, 2013	3,130,689	529,740	2,885,041	6,545,470
Total comprehensive income for the period.	-	-	253,374	253,374
Incremental depreciation	-	-	53,112	53,112
Balance as at March 31, 2014	3,130,689	529,740	3,191,527	6,851,956

The annexed notes 1 to 14 form and integral part of this condensed interim consolidated financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the quarter ended March 31, 2014 (Un-Audited)

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 and other home appliances.

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, 2013.

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, 2013.

Un-Audited March 31 2014 (Number of shares)	Audited December 31 2013	Un-Audited March 31 2014 (Rupees in thousand)	Audited December 31 2013
--	--------------------------------	--	--------------------------------

3. Share capital

AUTHORIZED CAPITAL

300,000,000	300,000,000	Ordinary shares of Rs. 10 each	3,000,000	3,000,000
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
400,000,000	400,000,000		4,000,000	4,000,000

4. Issued, subscribed and paid up capital

Un-Audited March 31 2014 (Number of shares)	Audited December 31 2013	Un-Audited March 31 2014 (Rupees in thousand)	Audited December 31 2013
--	--------------------------------	--	--------------------------------

Ordinary shares of Rs. 10 each fully paid

169,991,928	169,991,928	Issued for cash	1,699,919	1,699,919
		Other than cash:		
137,500	137,500	- against machinery	1,375	1,375
408,273	408,273	- on acquisition of Pel Appliances Limited	4,083	4,083
6,040,820	6,040,820	- against conversion of preference shares	60,408	60,408
91,532,718	91,532,718	- as fully paid bonus shares	915,328	915,328
268,111,239	268,111,239		2,681,113	2,681,113
		Fully paid A class preference shares of Rs. 10 each		
44,957,592	44,957,592	Issued for cash	449,576	449,576
313,068,831	313,068,831		3,130,689	3,130,689

Reconciliation between ordinary shares in issue as at the beginning and end of the period is as follows:

Ordinary shares

At beginning of year

Add: - Issued during the period / year as right shares

268,111,239	121,868,745
-	146,242,494
268,111,239	268,111,239

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
5. Redeemable capital		
Opening balance	2,464,286	2,464,286
Add:		
Obtained during the period	-	-
	2,464,286	2,464,286
Less:		
Paid during the period	-	-
	2,464,286	2,464,286
Less:		
Current portion payable within next twelve months	-	-
	2,464,286	2,464,286
6. Long-term financing-secured		
Opening balance	3,628,291	3,163,929
Add:		
Obtained during the period	5,015,692	500,000
	8,643,983	3,663,929
Less:		
Paid during the period	2,111,374	35,638
	6,532,609	3,628,291
Less:		
Current portion payable within next twelve months	435,851	395,116
	6,096,758	3,233,175

National Bank of Pakistan (NBP) has approved restructuring of debt finances under a broad restructuring arrangement with the company, whereby long term finances obtained from NBP have been settled through issue of privately placed term finance certificates (PPTFC) amounting to Rs. 3,165 million. Under the scheme of restructuring this issue would be partially converted into ordinary shares amounting to Rs. 500 million and into preference shares amounting to Rs. 1,150 million. The said conversion will be executed after the completion of corporate and regulatory approvals.

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
7. Liabilities against assets subject to finance lease		
Present value of minimum lease payments	50,344	57,588
Less: Current portion payable within next twelve months	18,513	26,903
	31,831	30,685

8. 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, 2013.

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
9. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	14,640,176	14,764,489
Capital work in progress	54,151	53,571
	<u>14,694,327</u>	<u>14,818,060</u>
Opening written down value	14,764,489	13,465,258
Surplus on revaluation of property, plant and equipments	-	1,387,543
Additions/transferred during the period (at cost)	62,377	656,691
	<u>14,826,866</u>	<u>15,509,492</u>
Written down value of the assets disposed off	1,400	27,509
Depreciation charged during the period	185,290	717,494
	<u>14,640,176</u>	<u>14,764,489</u>

(Rupees in thousand)	March 31 2014	March 31 2013
10. Sales		
Local	5,000,989	3,552,954
Export	53,000	566,103
	<u>5,053,989</u>	<u>4,119,057</u>
Less:		
Sales tax and excise duty	573,233	436,026
Discount	142,412	137,022
	<u>715,645</u>	<u>573,048</u>
	<u>4,338,344</u>	<u>3,546,009</u>

(Rupees in thousand)	March 31 2014	March 31 2013
11. COST OF SALES		
Raw material consumed	2,675,370	2,519,566
Direct wages	151,850	134,793
Factory overhead	443,392	407,488
	3,270,612	3,061,847
Work-in-process		
-at beginning of period	1,043,870	855,069
-at end of period	(1,084,390)	(815,982)
	(40,520)	39,087
Cost of goods manufactured	3,230,092	3,100,934
Finished goods		
-at beginning of period	385,437	354,649
-at end of period	(491,031)	(864,611)
	(105,594)	(509,962)
Cost of goods sold	3,124,498	2,590,972
12. Earnings per ordinary share - basic and diluted		
The calculation of basic and diluted earnings per ordinary share is based on the following data:		
Earnings		
Profit for the period	253,374	68,587
Less: dividend payable on preference shares	10,677	10,677
Profit attributable to ordinary shares	242,697	57,910
Number of shares	(Numbers)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	268,111,239	121,868,745
Effect of dilutive potential ordinary shares	44,957,592	44,957,592
	313,068,831	166,826,337
Basic and diluted earning per share have been calculated through dividing profit as stated above by weighted average number of ordinary shares.		
Earning per share (rupees)	0.91	0.48

13. Date of authorization for issue

These financial statements were authorized for issue on April 30, 2014 by the Board of Directors of the Company.

14. General

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

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

STANDALONE FINANCIAL INFORMATION

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2014

(Rupees in thousand)	Note	Un-Audited March 31 2014	Audited December 31 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	3	4,000,000	4,000,000
Issued, subscribed and paid up capital	4	3,130,689	3,130,689
Reserves		529,740	529,740
Unappropriated profit		2,637,362	2,473,853
		6,297,791	6,134,282
SURPLUS ON REVALUATION		4,559,145	4,612,256
NON-CURRENT LIABILITIES			
Redeemable Capital	5	2,464,286	2,464,286
Long-term financing	6	6,094,817	3,233,175
Liabilities against assets subject to finance lease	7	31,831	30,685
Deferred taxation		2,348,002	2,348,002
Deferred income		46,941	47,535
CURRENT LIABILITIES			
Trade and other payables		945,822	872,858
Interest/ mark-up accrued on loans and payables		620,874	1,454,626
Short-term borrowings		3,103,660	4,948,101
Current Portion of Non Current Liabilities		456,305	422,019
		5,126,661	7,697,604
CONTINGENCIES AND COMMITMENTS	8	-	-
		26,969,474	26,567,825

The annexed notes 1 to 14 form and integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2014

(Rupees in thousand)	Note	Un-Audited March 31 2014	Audited December 31 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	14,694,327	14,818,060
Intangible assets		347,666	348,962
		15,041,993	15,167,022
Long-term investments		9,705	8,395
Long-term deposits		122,025	119,677
CURRENT ASSETS			
Stores, spare parts and loose tools		292,595	285,771
Stock-in-trade		4,503,277	3,776,686
Trade debts		4,868,024	5,193,123
Advances		889,474	879,586
Trade deposits and short-term prepayments		468,196	453,055
Other receivables		32,003	25,289
Other financial assets		69,500	22,785
Income tax refundable		425,202	376,948
Cash and bank balances		247,480	259,488
		11,795,751	11,272,731
		26,969,474	26,567,825

The annexed notes 1 to 14 form and integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT / STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended March 31, 2014 (Un-Audited)

(Rupees in thousand)	Note	March 31 2014	March 31 2013
Gross Sales	10	4,191,364	3,803,891
Sales Tax and discount	10	573,233	436,440
Net Sales		3,618,131	3,367,451
Cost of Sales	11	2,959,988	2,864,058
Gross Profit		658,143	503,393
Other Operating Income		1,544	1,735
		659,687	505,128
Distribution Cost		84,566	57,927
Administrative Cost		102,131	88,682
Other Operating Expenses		22,156	2,265
Finance Cost		302,611	336,193
Profit Before Taxation		148,223	20,061
Provision for Taxation		37,826	2,046
Profit for the period		110,397	18,015
Other comprehensive income		-	-
Total comprehensive income		110,397	18,015
Earnings per share - Basic & diluted	12	0.37	0.06

The annexed notes 1 to 14 form and integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the quarter ended March 31, 2014 (Un-Audited)

(Rupees in thousand)	March 31 2014	March 31 2013
Cash flows from operating activities		
Profit before taxation	148,223	20,061
Adjustments for non-cash and other items	495,210	531,562
Cash generated from operations before working capital changes	633,433	551,623
Working capital changes	(366,258)	(837,963)
Cash generated from operations	277,175	(286,340)
Finance cost paid	(1,136,363)	(244,263)
Compensated absence paid	(6,198)	(2,264)
Income tax paid	(86,080)	(51,281)
	(1,228,641)	(297,808)
Net cash used in operating activities	(951,466)	(584,148)
Cash flows from investing activities		
Purchase of property, plant and equipment	(62,958)	(88,805)
Purchase of intangible assets	-	-
Proceeds from disposal of property, plant and equipment	2,350	1,886
Purchase of other financial assets	(50,219)	-
(Increase) / decrease in long-term deposits	(2,348)	33
Net cash used in investing activities	(113,175)	(86,886)
Cash flows from financing activities		
Increase / (Decrease) in Long Term Financing	2,904,318	(4,792)
Increase/ (Decrease) in liabilities against finance lease	(7,244)	(7,261)
Increase / (Decrease) in Short Term Borrowing	(1,844,441)	671,323
Net cash from financing activities	1,052,633	659,270
Net increase/(decrease) in cash and cash equivalents	(12,008)	(11,764)
Cash and cash equivalents at beginning of the period	259,488	185,187
Cash and cash equivalents at end of the period	247,480	173,423

The annexed notes 1 to 14 form and 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, 2014 (Un-Audited)

(Rupees in thousand)	Share capital	Capital reserves	Revenue reserves	Total
		Premium on issue of shares	Unappropriated profit	
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
Incremental depreciation	-	-	45,257	45,257
Balance as at March 31, 2013	1,668,264	164,134	1,969,732	3,802,130
Total comprehensive income for the period	-	-	347,595	347,595
Issue of right ordinary shares	1,462,425	365,606	-	1,828,031
Incremental depreciation	-	-	156,526	156,526
Balance as at December 31, 2013	3,130,689	529,740	2,473,853	6,134,282
Total comprehensive income for the period.	-	-	110,397	110,397
Incremental depreciation	-	-	53,112	53,112
Balance as at March 31, 2014	3,130,689	529,740	2,637,362	6,297,791

The annexed notes 1 to 14 form and integral part of this condensed interim financial information.

NASEEM SAIGOL
Chief Executive Officer

HAROON A. KHAN
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the quarter ended March 31, 2014 (Un-Audited)

1. Legal status and operations

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

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. Basis of preparation

This condensed interim financial information of the Company for the first quarter ended March 31, 2014 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.

Un-Audited March 31 2014 (Number of shares)	Audited December 31 2013	Un-Audited March 31 2014 (Rupees in thousand)	Audited December 31 2013
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3. Share capital

AUTHORIZED CAPITAL

300,000,000	300,000,000	Ordinary shares of Rs. 10 each	3,000,000	3,000,000
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
400,000,000	400,000,000		4,000,000	4,000,000

Un-Audited March 31 2014 Number of shares	Audited December 31 2013	Un-Audited March 31 2014 (Rupees in thousand)	Audited December 31 2013
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4. Issued, subscribed and paid up capital

		Ordinary shares of Rs. 10 each fully paid		
169,991,928	169,991,928	Issued for cash	1,699,919	1,699,919
137,500	137,500	Other than cash:		
408,273	408,273	- against machinery	1,375	1,375
6,040,820	6,040,820	- on acquisition of Pel Appliances Limited	4,083	4,083
91,532,718	91,532,718	- against conversion of preference shares	60,408	60,408
		- as fully paid bonus shares	915,328	915,328
268,111,239	268,111,239		2,681,113	2,681,113
		Fully paid A class preference shares of Rs. 10 each		
44,957,592	44,957,592	Issued for cash	449,576	449,576
313,068,831	313,068,831		3,130,689	3,130,689

Reconciliation between ordinary shares in issue as at the beginning and end of the period is as follows:

Ordinary shares

At beginning of year

Add: - Issued during the period / year as right shares

268,111,239	121,868,745
-	146,242,494
268,111,239	268,111,239

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
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5. Redeemable capital

Opening balance	2,464,286	2,464,286
Add:		
Obtained during the period	-	-
	2,464,286	2,464,286
Less:		
Paid during the period	-	-
	2,464,286	2,464,286
Less:		
Current portion payable within next twelve months	-	-
	2,464,286	2,464,286

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
6. Long-term financing-secured		
Opening balance	3,628,291	3,163,929
Add:		
Obtained during the period	5,015,692	500,000
	8,643,983	3,663,929
Less:		
Paid during the period	2,111,374	35,638
	6,532,609	3,628,291
Less:		
Current portion payable within next twelve months	437,792	395,116
	6,094,817	3,233,175

National Bank of Pakistan (NBP) has approved restructuring of debt finances under a broad restructuring arrangement with the company, whereby long term finances obtained from NBP have been settled through issue of privately placed term finance certificates (PPTFC) amounting to Rs. 3,165 million. Under the scheme of restructuring this issue would be partially converted into ordinary shares amounting to Rs. 500 million and into preference shares amounting to Rs. 1,150 million. The said conversion will be executed after the completion of corporate and regulatory approvals.

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
7. Liabilities against assets subject to finance lease		
Present value of minimum lease payments	50,344	57,588
Less: Current portion payable within next twelve months	18,513	26,903
	31,831	30,685

8. 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, 2013.

(Rupees in thousand)	Un-Audited March 31 2014	Audited December 31 2013
9. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	14,640,176	14,764,489
Capital work in progress	54,151	53,571
	14,694,327	14,818,060
Opening written down value	14,764,489	13,465,258
Surplus on revaluation of property, plant and equipments	-	1,387,543
Additions/transferred during the period (at cost)	62,377	656,691
	14,826,866	15,509,492
Written down value of the assets disposed off	1,400	27,509
Depreciation charged during the period	185,290	717,494
	14,640,176	14,764,489

(Rupees in thousand)	March 31 2014	March 31 2013
10. Sales		
Local	4,138,364	3,237,788
Export	53,000	566,103
	4,191,364	3,803,891
Less:		
Sales tax and excise duty	573,233	436,026
Discount	-	414
	573,233	436,440
	3,618,131	3,367,451

(Rupees in thousand)	Un-Audited March 31 2014	Un-Audited March 31 2013
11. COST OF SALES		
Raw material consumed	2,511,982	2,519,566
Direct wages	151,850	134,793
Factory overhead	443,392	407,488
	3,107,224	3,061,847
Work-in-process		
-at beginning of period	1,043,870	855,069
-at end of period	(1,084,390)	(815,982)
	(40,520)	39,087
Cost of goods manufactured	3,066,704	3,100,934
Finished goods		
-at beginning of period	278,744	238,525
-at end of period	(385,460)	(475,401)
	(106,716)	(236,876)
Cost of goods sold	2,959,988	2,864,058
12. Earnings per ordinary share - basic and diluted		
The calculation of basic and diluted earnings per ordinary share is based on the following data:		
Earnings		
Profit for the period	110,397	18,015
Less: dividend payable on preference shares	10,677	10,677
Profit attributable to ordinary shares	99,720	7,338

Number of shares	(Numbers)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	268,111,239	121,868,745
Effect of dilutive potential ordinary shares	44,957,592	44,957,592
	313,068,831	166,826,337
Basic and diluted earning per share have been calculated through dividing profit as stated above by weighted average number of ordinary shares.		
Earning per share (rupees)	0.37	0.06

13. Date of authorization for issue

These financial statements were authorized for issue on April 30, 2014 by the Board of Directors of the Company.

14. 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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