


Half Yearly Report **2013**

July-December



KOHINOOR
ENERGY LIMITED

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Corporate Information

Board of Directors

Mr. M. Naseem Saigol
Chairman
Mr. Tatsuo Hisatomi
Chief Executive Officer
Mr. S M Shakeel
Mr. Manabu Iida
Mr. Hidenori Saito
Mr. Yasunori Mizuno
Mr. Ghazanfar Husain Mirza
Nominee of Wartsila Finland Oy

Company Secretary

Mr. Muhammad Asif

Audit Committee

Mr. Hidenori Saito
Chairman
Mr. S M Shakeel
Mr. Manabu Iida
Mr. Yasunori Mizuno

HR & Remuneration Committee

Mr. Hidenori Saito
Chairman
Mr. Tatsuo Hisatomi
Mr. S M Shakeel
Mr. Manabu Iida

Management

Mr. Tatsuo Hisatomi
Chief Executive Officer
Mr. S M Shakeel
Chief Operating Officer
Mr. Ghazanfar Ali Zaidi
General Manager Technical
Mr. Muhammad Ashraf
Chief Financial Officer

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Bankers

Standard Chartered Bank (Pakistan) Limited
Bank Alfalah Limited
Askari Bank Limited
AL Baraka Bank (Pakistan) Limited
Meezan Bank
Habib Bank Limited
Faysal Bank Limited
Barclays Bank PLC
MCB Bank Limited
Deutsche Bank

Registered Office

1404, 14th Floor, Green Trust Tower,
Blue Area Islamabad, Pakistan.
Tel : +92-51-2813021-2
Fax : +92-51-2813023

Project/Head Office

Post Office Raja Jang, Near Tablighi Ijtima,
Raiwind Bypass, Lahore, Pakistan.
Tel : +92-42-35392317
Fax : +92-42-35393415-7

Shares Registrar

M/S Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial, Model Town,
Lahore, Pakistan.
Tel : +92-42-35839182, 35887262, 35916719
Fax : +92-42-35869037

Lahore Office

17-Aziz Avenue, Unit # 4, Canal Bank,
Gulberg V, Lahore, Pakistan.
Tel : +92-42-35717861-2
Fax : +92-42-35715090

Website

www.kel.com.pk

Directors' Review

The Board takes pleasure to present you the brief report together with the operational and financial results of the Company duly reviewed by the statutory auditors for the 2nd Quarter/Half year ended December 31, 2013.

The Company is engaged in power generation with a net capacity of 124 MW furnace oil fired power plant. The Water and Power Development Authority (WAPDA) is the exclusive purchaser of the electricity being generated at the plant. During the half year under review, the plant by operating at 77.52% capacity factor delivered 424,492 MWH of electricity to WAPDA while during the corresponding half year of previous year the plant by running at 66.36% capacity delivered 363,360 MWH.

We report that during the half-year under review, the sales revenue stood at Rs. 7.11 billion as compared with Rs. 6.18 of the corresponding half year of the FY 2012-13. The Company posted net profit of Rs. 502 million and demonstrated earnings per share (EPS) of Rs. 2.96, compared with net profit of Rs. 377 million and an EPS of Rs. 2.22 during the corresponding period of previous financial year. We take pleasure to report that efficient operations in association with high dispatch by WAPDA are the key contributors to increase in profits of the Company.

This is with respect to our plan for the replacement of existing turbo chargers, we write to report that all of the new types of Turbo Chargers have been successfully installed across the power complex of eight engines. The newly installed turbo chargers have been proved to be economical in maintenance as well as contributors to fuel efficiency of engines.

We would like to update you regarding dispute with WAPDA on the matter of eligibility of indexation on non-escalable component of the capacity purchase price against which the WAPDA had withheld Rs. 430.517 million. The detail of the matter has been reported in Note 4.1.1 to the attached financial statements. We write to inform you that status of the matter is same as reported earlier. Moreover on the matter of liquidated damages (LDs) imposed by WAPDA (as detailed in Note 4.1.2 to the attached financial statements) the Company has joined hands with two other IPPs towards the process of appointment of an expert for arbitration. Since the outcome of the matter cannot be determined therefore, no provision for such LDs has been made in these financial statements.

It takes immense pleasure to inform you that the Directors in their board meeting held on February 12, 2014 has declared an interim dividend for the financial year 2013-14 at the rate of 20% (i.e. @ Rs. 2.00 per share) for which the date of entitlement has been fixed as February 27, 2014.

During the half year under review, two engines surpassing 84,000 running hours have gone through the major maintenance work under 8k hours maintenance program, while during the corresponding period of the previous FY three engines were dealt with the major maintenance. All the maintenance work has been completed as per the budgeted numbers. The engines and their allied auxiliary equipment are in good condition and the performance of the power complex is quite satisfactory.

The Board of Directors expresses its appreciation to the financial institutions, WAPDA, Pakistan State Oil, Wartsila and suppliers as well as the valued shareholders of the Company for their continuing support towards the successful and smooth operations. The Board also recognizes and appreciates the dedication and devotion of the employees that made KEL a success story among IPP sector.

for and on behalf of the Board


Tatsuo Hisatomi
Chief Executive

Auditors' Report to The Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Kohinoor Energy Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 4.1 to the condensed interim financial information which describes the uncertainty regarding the outcome of certain claims by WAPDA which have been disputed by the Company. Our conclusion is not qualified in respect of this matter.

A. F. Ferguson & Co.
Chartered Accountants

Lahore
February 12, 2014

Amer Raza Mir
Partner

Condensed Interim Balance Sheet

	Note	December 31, 2013	June 30, 2013 Restated
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
170,000,000 (June 30, 2013: 170,000,000) ordinary shares of Rs 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital			
169,458,614 (June 30, 2013: 169,458,614) ordinary shares of Rs 10 each		1,694,586	1,694,586
Unappropriated profit		4,894,671	5,636,292
		6,589,257	7,330,878
 LONG TERM FINANCING -SECURED		 220,047	 28,657
 CURRENT LIABILITIES			
Staff retirement benefits		49,397	37,361
Finances under mark up arrangements		2,297,904	316,408
Current portion of long term financing		113,970	14,178
Trade and other payables		162,390	163,814
Accrued finance cost		29,727	8,853
Provision for taxation		38,728	65,218
		2,692,116	605,832
 CONTINGENCIES AND COMMITMENTS	 4	 9,501,420	 7,965,367

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive

As At December 31, 2013 (Un-Audited)

	Note	December 31, 2013	June 30, 2013 Restated
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,231,720	3,870,266
Capital work in progress		371	85,871
Intangible assets		3,264	3,608
Long term loans, advances and deposits		16,901	17,341
		<u>4,252,256</u>	<u>3,977,086</u>
CURRENT ASSETS			
Stores, spares and loose tools		483,977	434,588
Stock-in-trade		595,313	294,106
Trade debts		3,594,542	2,158,228
Loans, advances, deposits, prepayments and other receivables		393,335	515,584
Cash and bank balances		181,997	585,775
		<u>5,249,164</u>	<u>3,988,281</u>
		<u><u>9,501,420</u></u>	<u><u>7,965,367</u></u>



Director

Condensed Interim Profit And Loss Account

For the Quarter and Half Year ended December 31, 2013 (Un-audited)

	Note	Quarter ended		Half year ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		(Rupees in thousand)			
Sales		3,564,714	2,914,874	7,113,890	6,176,058
Cost of sales	6	(3,188,588)	(2,561,424)	(6,390,245)	(5,522,718)
Gross profit		376,126	353,450	723,645	653,340
Administration and general expenses		(55,540)	(53,681)	(123,950)	(122,581)
Other operating income		2,208	7,010	7,396	10,982
Profit from operations		322,794	306,779	607,091	541,741
Finance costs		(63,032)	(85,681)	(102,483)	(162,990)
Profit before tax		259,762	221,098	504,608	378,751
Taxation		(1,171)	(350)	(2,514)	(1,740)
Profit for the period		258,591	220,748	502,094	377,011
Earnings per share - basic and diluted	Rupees	<u>1.53</u>	<u>1.30</u>	<u>2.96</u>	<u>2.22</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Condensed Interim Statement Of Comprehensive Income

For the Quarter and Half Year ended December 31, 2013 (Un-audited)

	Note	Quarter ended		Half year ended	
		December 31, 2013	December 31, 2012 Restated (Rupees in thousand)	December 31, 2013	December 31, 2012 Restated
Profit for the period		258,591	220,748	502,094	377,011
Other comprehensive income:					
Re-measurement of actuarial losses on retirement benefit plans	2.1.1	(7,570)	(2,885)	(15,140)	(5,770)
Total comprehensive income for the period		251,021	217,863	486,954	371,241

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Chief Executive

Director

Condensed Interim Cash Flow Statement

For the Half Year ended December 31, 2013 (Un-audited)

	Note	July 1 to December 31	
		2013	2012
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in) / generated from operations	7	(918,881)	151,071
Staff retirement benefits paid		(6,188)	(13,714)
Finance costs paid		(81,609)	(126,020)
Taxes paid		(29,004)	(11,725)
Net cash used in operations		(1,035,682)	(388)
Cash flows from investing activities			
Fixed capital expenditure		(424,908)	(9,684)
Income on bank deposits received		4,411	2,265
Net decrease / (increase) in long term loans, advances and deposits		440	(1,191)
Proceeds from sale of property, plant and equipment		6,686	13,666
Net cash (used in) / generated from investing activities		(413,371)	5,056
Cash flows from financing activities			
Dividend paid		(1,227,403)	(258,653)
Long term loan acquired during the period		321,362	–
Long term loan repaid during the period		(30,180)	–
Net cash used in financing activities		(936,221)	(258,653)
Net decrease in cash and cash equivalents		(2,385,274)	(253,985)
Cash and cash equivalents at beginning of the period		269,367	(2,456,035)
Cash and cash equivalents at the end of the period	8	(2,115,907)	(2,710,020)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director

Condensed Interim Statement Of Changes In Equity

For the Half Year ended December 31, 2013 (Un-audited)

	Share capital	Un-appropriated profit (Rupees in thousand)	Total
Balance as on July 1, 2012			
(As previously reported)	1,694,586	5,817,196	7,511,782
Effect of retrospective change in accounting policy (note - 2.1.1)	–	(15,379)	(15,379)
Balance as on July 1, 2012 (restated)	1,694,586	5,801,817	7,496,403
Final dividend for the year ended June 30, 2012 at the rate of Rs. 1.50 per share	–	(254,188)	(254,188)
Comprehensive income for the period (As previously reported)	–	377,011	377,011
Re-measurement of actuarial losses on retirement benefit plans (note - 2.1.1)	–	(5,770)	(5,770)
Comprehensive income for the period - restated	–	371,241	371,241
Balance as on December 31, 2012 (restated)	1,694,586	5,918,870	7,613,456
Interim dividend for the year ended June 30, 2013 at the rate of Rs. 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2013 at the rate of Rs. 2.50 per share	–	(423,645)	(423,645)
Comprehensive income for the period (As previously reported)	–	487,443	487,443
Re-measurement of actuarial losses on retirement benefit plans (note - 2.1.1)	–	(7,459)	(7,459)
Comprehensive income for the period - restated	–	479,984	479,984
Balance as on June 30, 2013 (restated)	1,694,586	5,636,292	7,330,878
Interim dividend for the year ended June 30, 2013 at the rate of Rs. 4.25 per share	–	(720,199)	(720,199)
Final dividend for the year ended June 30, 2013 at the rate of Rs. 3.00 per share	–	(508,376)	(508,376)
Profit for the period	–	502,094	502,094
Other comprehensive income for the period: Re-measurement of actuarial losses on retirement benefit plans (note - 2.1.1)	–	(15,140)	(15,140)
Total comprehensive income for the period	–	486,954	486,954
Balance as on December 31, 2013	1,694,586	4,894,671	6,589,257

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Chief Executive


Director

Selected Notes To The Condensed Interim Financial Information

For the Quarter and Half Year ended December 31, 2013 (Un-audited)

1. Basis of preparation

This condensed interim financial information is unaudited and has been prepared in accordance with section 245 of the Companies Ordinance, 1984 and 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 June 30, 2013.

2 Significant Accounting Policies

2.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2013 except as described below:

2.1.1 Standards, amendments and interpretations to published standards effective in current year

During the current period, the Company changed its accounting policy in respect of post retirement defined benefits plans. The new policy is in accordance with the requirements of IAS 19 (revised), "Employee Benefits". According to the new policy, on remeasurments, actuarial gains and losses result from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments, the return on plan assets excluding amounts included in net interest on the net defined benefit liability (asset), are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur.

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to the method of determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by the credit in other comprehensive income.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" and comparative figures have been restated. The effect of the change in accounting policy on the current and prior period financial statements have been summarised below:

Effect on balance sheet

	June 30, 2013	June 30, 2012
	(Rupees in thousand)	
Increase in employees' retirement benefits	28,608	15,379
(Decrease) in unappropriated profit	(28,608)	(15,379)

Impact on Statement of Changes in Equity

Cumulative effect from prior years- Net of tax	–	(15,379)
Impact for the year ended June 30	(28,608)	–

Furthermore, the following standards are effective from current period but do not have a material impact on the company's interim financial information:

- IFRS 7, Financial Instruments: Disclosure
- IFRS 10, Consolidated financial information
- IFRS 12, Disclosures of interest in other entities
- IFRS 13, Fair value measurements
- IAS 32, Financial instruments: Presentation
- IAS 27, Separate financial statements
- IAS 28, Associates and joint ventures
- Annual improvements 2011; IFRS 1, 'First time adoption'. IAS 1, 'Financial statement presentation'. IAS 16, 'Property plant and equipment'. IAS 32, 'Financial instruments; Presentation'. IAS 34, 'Interim financial reporting'

2.1.2 Standards, amendments and interpretations to existing standards applicable to the company not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates:

Standards or interpretation:	Effective date (accounting periods beginning on or after)
- IFRS 9, 'Financial Instruments'	January 01, 2015
"- IFRIC 21, An interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'"	January 01, 2014
"- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures"	January 01, 2014
- IAS 32, 'Financial instruments: Presentation, on offsetting financial assets and financial liabilities'	January 01, 2014

2.1.3 Standards, amendments and interpretations to published standards effective in the current period not relevant to the company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

3. The provision for taxation for the half year ended December 31, 2013 has been made on an estimated basis.

4. Contingencies and commitments

4.1 Contingencies

4.1.1 During year ended June 30, 2010, WAPDA disputed the eligibility of indexation of non-escalable component (NEC) of the capacity purchase price relating to the period subsequent to the repayment of foreign currency loan taking the stance that under the Power Purchase Agreement (PPA) indexation is allowed until the repayment of foreign currency loan, and since the loan was fully repaid in September 2008, therefore no indexation was to be allowed from September 2008 onwards (Dispute 1). WAPDA had earlier paid Rs 430.517 million relating to the period from September 2008 to September 2009 but subsequently withheld this amount in June 2010 against the invoices of April 2010 (Dispute 2).

The management of the company is of the view that under the terms of the PPA, (i) the company is entitled to the continued indexation of the NEC after repayment of foreign currency loans; and (ii) the invoice receiving party may serve a dispute notice to the other party at any time prior to 180 days of receipt of such invoice. Since the invoices for the period from September 2008 to September 2009 were not disputed within the prescribed period of 180 days therefore WAPDA has waived its right to seek revision of such invoices in terms of section 9.7 (d) of the PPA.

Article XV of PPA requires that if a dispute arises the matter shall be decided by (i) mutual discussions failing which (ii) through mediation by an expert and as a last resort through (iii) arbitration. The company's initial views were to refer the disputed matter to arbitration under the Rules of Arbitration of the International Chamber of Commerce to expedite the resolution of the dispute. However, during the year ended 30 June 2011, the Management of the company referred the matter to the expert. Consequently an expert was engaged with the consent of both the parties. The expert has given his decision / recommendation on December 30, 2011 which states that the adjustment of Rs. 430.517 million is unlawful, therefore, WAPDA is required to pay this amount to the company.

WAPDA has not accepted the decision / recommendation of the Expert (on Dispute 2). The Management of the company and legal advisor is of the opinion that the matter will be settled in company's favour and consequently the company has not provided for Rs. 430.517 million in this condensed interim financial information.

4.1.2 WAPDA have imposed liquidated damages (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) on account of short supply of electricity by the Company, which was due to cash flow constraints of the Company as a result of default by WAPDA in making timely payments. Currently, the amount of liquidated damages invoiced by WAPDA is Rs. 385.4 million. The Company disputes and rejects any claim on account of liquidated damages that is or may be raised by WAPDA on the premise that its failure to dispatch electricity was due to WAPDA's nonpayment of dues on timely basis to the Company and consequential inability of the Company to make advance payments to its fuel supplier (PSO) that resulted in inadequate level of electricity production owing to shortage of fuel. According to legal advisors of the company, there are adequate grounds to defend any claim by WAPDA for such liquidated damages since these conditions were imposed on the Company by WAPDA due to circumstances beyond its control. During the half year ended December 31, 2013, the management of the Company decided to join hands with two Independent Power Producers: M/S Lalpir and PakGen Power who had already initiated the expert mediation with WAPDA on a similar issue. Currently WAPDA and IPPs are in the process of the expert appointment under the mechanism given in the Power Purchase Agreement. The ultimate outcome of the matter cannot presently be determined, and consequently, no provision for such liquidated damages has been made in this condensed interim financial information.

4.1.3 The company has issued the following guarantees in favour of:

- (i) Water and Power Development Authority (WAPDA) on account of liquidated damages, in case the Company fails to make available electricity to WAPDA on its request, amounting to Rs. 180 million (June 30, 2013: Rs. 180 million).
- (ii) Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 2.15 million (June 30, 2013: Rs 2.15 million).

4.2 Commitments

- (i) Letters of credit other than capital expenditure Rs. 30.00 million (June 30, 2013: Rs. 11.721 million).
- (ii) Letters of credit for capital expenditure Rs. 31.60 million (June 30, 2013: Rs 309.089 million).

5. Property, plant and equipment

	Note	December 31, 2013	June 30, 2013
(Rupees in thousand)			
Opening net book value		3,870,266	4,036,054
Add: Additions during the period	5.1	9,250	113,341
Transfer from capital work-in-progress	5.2	501,158	-
		4,380,674	4,149,395
Less: Disposals during the period (at book value)	5.3	3,665	9,755
Depreciation charged during the period		145,289	269,373
		148,954	279,128
		4,231,720	3,870,266
5.1 Additions during the period			
Buildings on freehold land		-	622
Plant and machinery		-	80,134
Office appliances and equipment		-	560
Laboratory Equipment		-	660
Electric appliances and equipment		273	2,072
Computers		197	251
Furniture and fixtures		-	100
Vehicles		8,780	28,942
		9,250	113,341
5.2 Transfer from capital work-in-progress			
Plant and machinery		501,158	-
		501,158	-
5.3 Disposals during the period			
Freehold Land		-	1,343
Vehicles		3,665	8,412
		3,665	9,755

	Quarter ended		Half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	(Rupees in thousand)			
6. Cost of sales				
Raw material consumed	2,972,947	2,356,925	5,977,027	5,054,434
Salaries, wages and benefits	30,109	32,992	81,108	82,514
Fee for Produce of Energy (FPE)	18,681	13,894	38,851	30,097
Stores and spares consumed	69,751	66,743	104,446	176,363
Depreciation/amortization	73,659	65,375	141,224	130,625
Insurance	12,806	9,417	24,870	23,596
Travelling, conveyance and entertainment	3,169	3,699	6,721	5,859
Repairs and maintenance	2,545	6,537	5,906	9,288
Communication charges	787	298	787	298
Electricity consumed in-house	1,637	334	2,077	728
Rent, rates and taxes	–	193	–	193
Miscellaneous	2,497	5,017	7,228	8,723
	<u>3,188,588</u>	<u>2,561,424</u>	<u>6,390,245</u>	<u>5,522,718</u>

	July 1 to December 31	
	2013	2012
	(Rupees in thousand)	
7. Cash generated from operations		
Profit before tax	504,608	378,751
Adjustments for:		
Depreciation/amortisation	145,633	134,027
Gain on disposal of property, plant and equipment	(3,021)	(8,858)
Income on bank deposits	(4,375)	(2,124)
Staff retirement benefits accrued	3,084	8,250
Finance costs	102,483	162,990
Profit before working capital changes	<u>748,412</u>	<u>673,036</u>
Effect on cash flow due to working capital changes		
(Increase)/decrease in stores, spares and loose tools	(49,389)	5,428
(Increase)/decrease in stock-in-trade	(301,207)	22,106
(Increase) in trade debts	(1,436,314)	(495,963)
Decrease/(Increase) in loans, advances, deposits, prepayments and other receivables	122,213	(43,189)
(Decrease) in trade and other payables	(2,596)	(10,347)
	<u>(1,667,293)</u>	<u>(521,965)</u>
	<u>(918,881)</u>	<u>151,071</u>

8. Cash and cash equivalents

	December 31, 2013	December 31, 2012
	(Rupees in thousand)	
Cash and bank balances	181,997	156,883
Finances under mark-up arrangements - secured	(2,297,904)	(2,866,903)
	<u>(2,115,907)</u>	<u>(2,710,020)</u>

9. Transactions with related parties

	July 1 to December 31 2013	2012
	(Rupees in thousand)	
Purchase of goods and services	181	178
Sales of goods and services	3,020	–
Key management personnel compensation	44,100	47,115
Charge in respect of staff retirement benefit plan	(4,263)	8,250

Period end balances

	December 31, 2013	June 30, 2013
	(Rupees in thousand)	
Payable to related parties	38	57

10. Date of authorization for issue

This condensed interim financial information was authorised for issue on February 12, 2014 by the Board of Directors of the Company.

11. Events after the balance sheet date

The Board of Directors have declared an interim dividend of Rs 2.0 per share (June 30, 2013: Rs 3.0 per share), amounting to Rs. 338,917 thousand (June 30, 2013: Rs. 508,376 thousand) at their meeting held on February 12, 2014. This condensed interim financial information does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

12. Corresponding figures

No significant rearrangement or restatement has been made in corresponding figures except as disclosed in note 2.1.1 to this condensed interim financial information.



Chief Executive



Director

Contribution to CSR



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