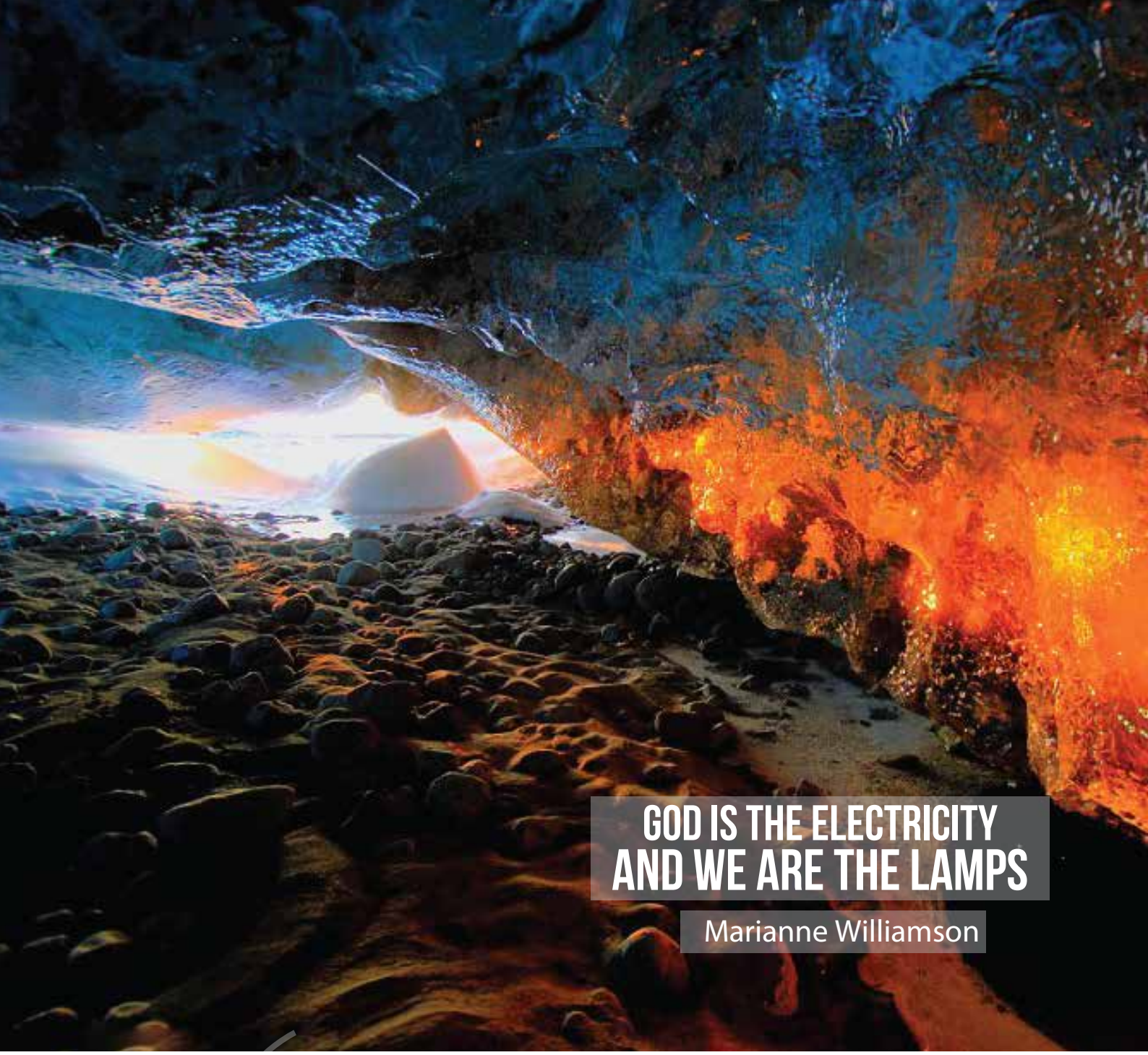


SAIF POWER LIMITED

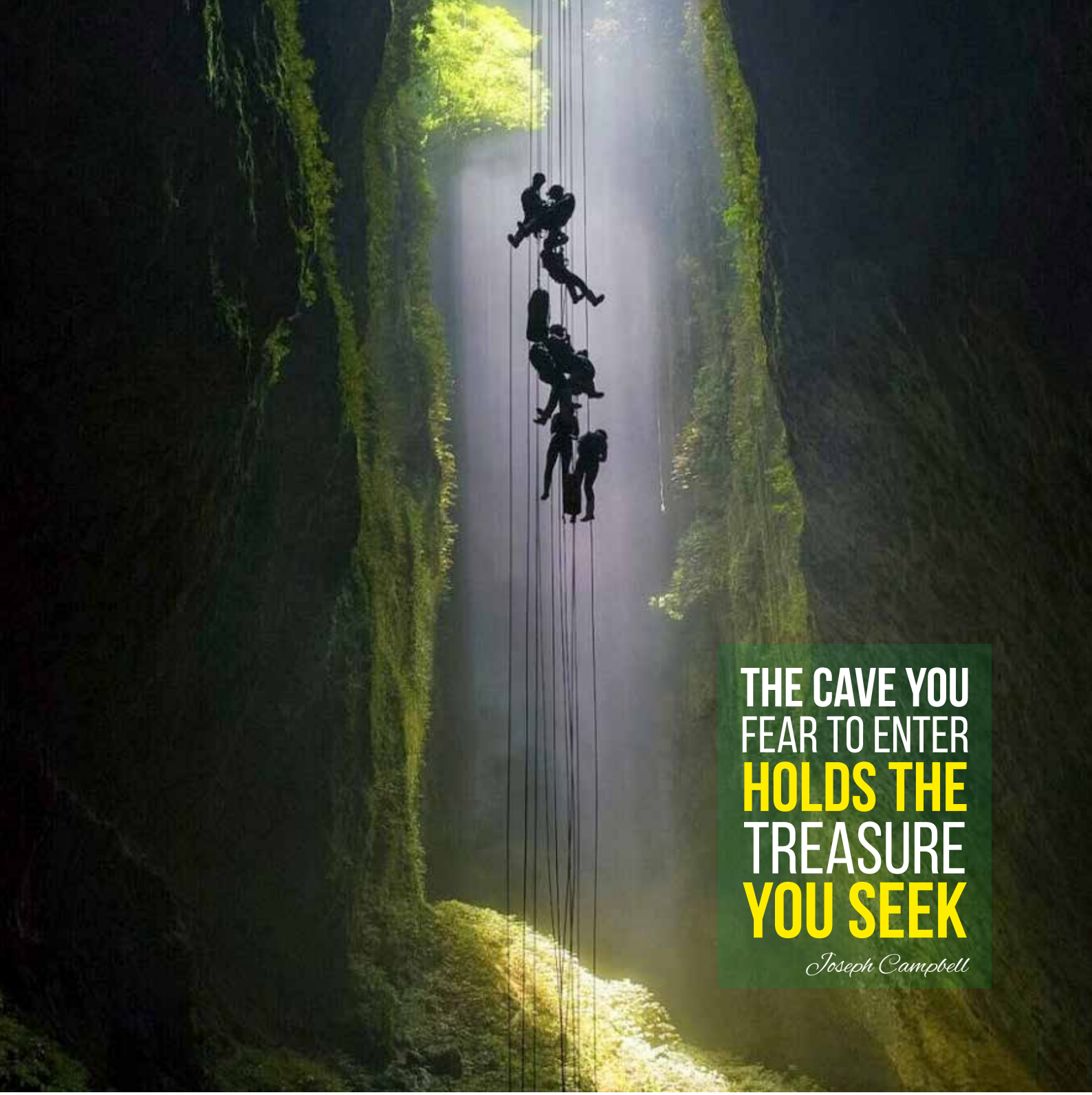
A Saif Group Company

Annual Report 2016

ANYBODY CAN STAND ATOP A MOUNTAIN, BUT FEW WILL CLIMB ONE

Pepper Blair

Our theme with mountains and caves reflects struggle and persistence in the face of adversity while aiming to reach the top; it suggests mysteries to be unfolded and...



...riches to be grabbed; it manifests in doing away with fear and keeping faith in God; it cultivates ideas for changing strategies and tactics to reach where you want to be.

Financials at a Glance

		2016	2015
Turnover	Rs. Million	11,946	14,981
Gross profit	Rs. Million	3,188	3,290
Financial cost	Rs. Million	761	1,152
Net Profit	Rs. Million	2,312	2,063
Dividend per share	Rs.	3.65	3.75
Shareholders Equity	Rs. Million	9,216	7,872
Current Ratio	Times	1.12	0.93

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Basic Corporate Profile

Board of Directors

Mr. Salim Saifullah Khan	Chairman
Mr. Javed Saifullah Khan	Director
Mr. Anwar Saifullah Khan	Director
Mr. Omar Saifullah Khan	CEO/Director
Ms. Hoor Yousafzai	Director
Mr. Osman Saifullah Khan	Director
Mr. Jehangir Saifullah Khan	Director

Audit Committee

Mr. Javed Saifullah Khan	Chairman
Mr. Salim Saifullah Khan	Member
Ms. Hoor Yousafzai	Member

Human Resource and Remuneration Committee

Mr. Salim Saifullah Khan	Chairman
Mr. Jehangir Saifullah Khan	Member
Ms. Hoor Yousafzai	Member

Management

Mr. Sohail H Hydari
Deputy Chief Executive Officer

Mr. Hammad Mahmood
Chief Financial Officer

Mr. Ghias Ul Hassan
GM Power Plant

Mr. Waseemullah
Company Secretary

Auditors

M/s KPMG Taseer Hadi & Co.
Chartered Accountants
State Life Building No. 6,
Jinnah Avenue,
Islamabad.

Legal Advisors

M/s Salahauddin, Saif & Aslam
Attorneys at Law
M/s Cornelius, Lane & Mufti
Advocates & Solicitors

Registered/ Head Office

4th Floor Kulsum Plaza,
Jinnah Avenue, Blue Area,
Islamabad, Pakistan.
Tel: +92-51-2342155-60
Fax: +92-51-2342177
Email: info.spl@saifgroup.com

Website

http://www.saifgroup.com/power.php

Share Registrar

THK Associates (Private) Ltd.
2nd Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road,
Karachi, Pakistan.
Tel: +92-21-111-000-322
Fax: +91-21-35655595
Email: secretariat@thk.com.pk

Bankers

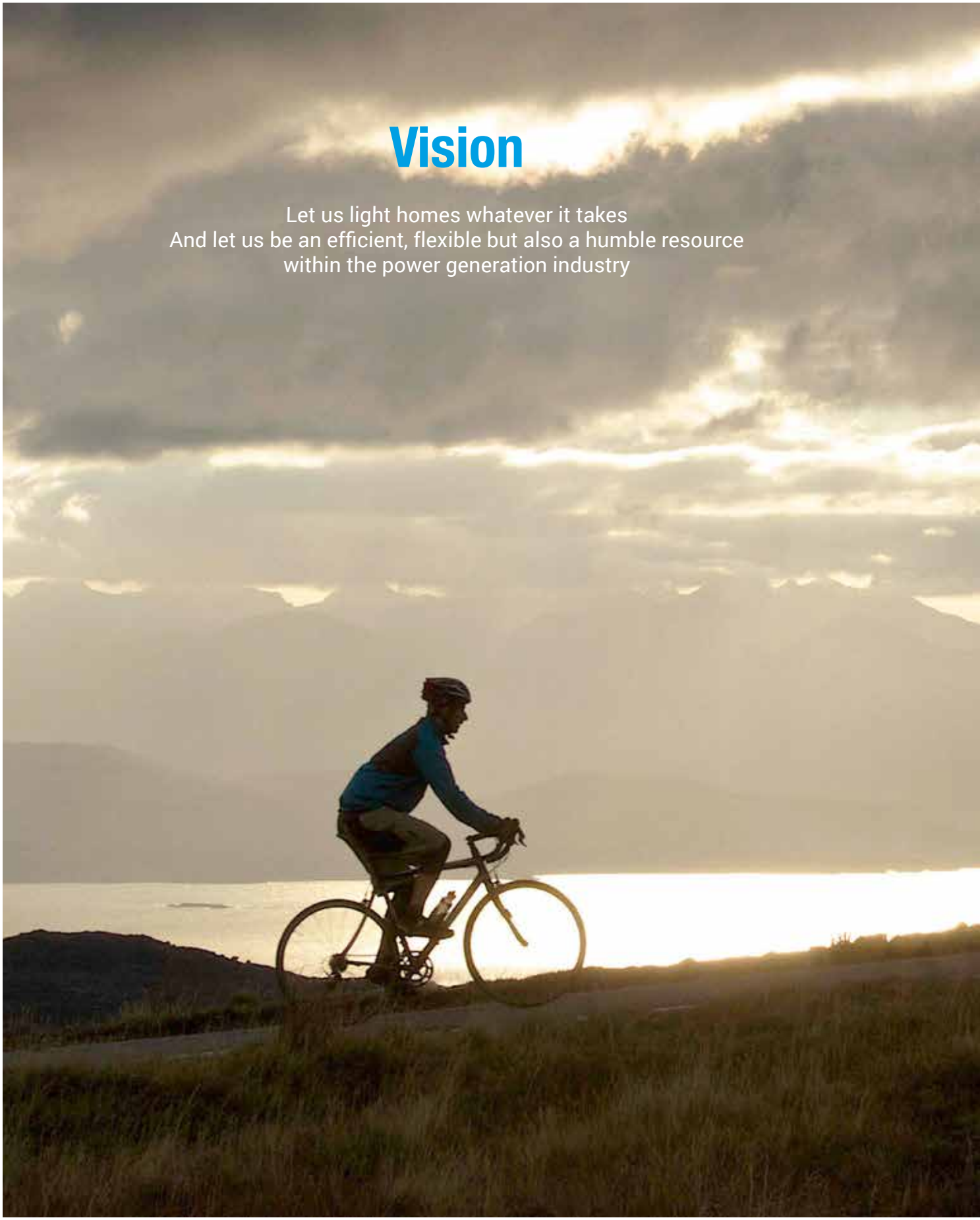
Allied Bank Limited
Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company
Pak Oman Investment Company Limited
Saudi Pak Industrial and Agricultural - Investment Company Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

Plant Location

Chak 56/5L, Qadarabad,
Multan Road, District Sahiwal,
Punjab, Pakistan.

Vision

Let us light homes whatever it takes
And let us be an efficient, flexible but also a humble resource
within the power generation industry



Mission

Be looked up as an honest and reliable supplier
Strive to perform at our best under a professional, effective, transparent and cordial corporate culture
Add value to stakeholders' interests

Sharing & Team Work

Core Values

It is our objective to ensure that we:

Ethics

- Adhere to high ethical standards and transparency in the conduct of our business
- Take ownership of our actions
- Give top most priority to Company's image and integrity as a legal entity
- Do not allow our directors or employees to be placed in a situation of conflict of interest

People

- Encourage and promote open communication and free enterprise
- Give attention to the health, safety and well being of our employees and provide a safe and secure environment
- Inculcate team work and sharing

Quality, Compliance and Business Excellence

- Strive to bring excellence within our performances and scope of work while observing all applicable laws
- Never trespass or deviate from our approved operational and financial systems
- Concentrate fully on maximizing shareholders' returns through good governance and through proper application of all management functions

Corporate Social Responsibility (CSR)

CSR is a relationship with all of our stakeholders.

Our Employment Practices ensure competitive salaries and wages along with benefits including healthcare. All of our employees are entitled to OPD and hospital beds at Kulsum International Hospital (run by Saif Group) at nominal rates.

Along with General Electric, USA who are our O&M Contractors, the company provides highest standards of occupational health and safety all around our plant premises.

We are committed to the community around us and, therefore, we comply with all applicable regulations in this area. Every year, young boys with relevant qualifications from our neighbourhood community get internships which serve as a platform for them considering the fact they are able to work along GE experienced personnel and, under the guidance of our own senior management.

Besides the above, the owner/directors provide substantial services in their own local areas as follows:

Saifullah Foundation for Sustainable Development (SFSD) was established as an independent non-political, non-profit NGO registered under Khyber Pakhtunkhwa Social Welfare Agencies (Registration and Control Ordinance, 1961). Begum Kulsum Saifullah Khan (Hilal-e-Imtiaz), the founding Chairperson, was the inspiration behind its establishment. SFSD manages;

Saifullah Khan Trust
Akbar Care Institute

SAIFULLAH KHAN TRUST (SKT)

SKT focuses on promotion of skill based education and, financial help to bright students in the shape of stipends. Around 300 students receive stipends each year. FM – 88 radio station was set up in 2004 in Lakki District for awareness oriented program and for entertainment. Both of these objectives are being achieved and FM 88 has gained huge popularity. Clean water facility has been provided to the village of Lawang Khel with a population of 2000 people. Earlier these villagers did not have access to clean drinking water despite an existing water supply scheme which had not functioned for 10 years.

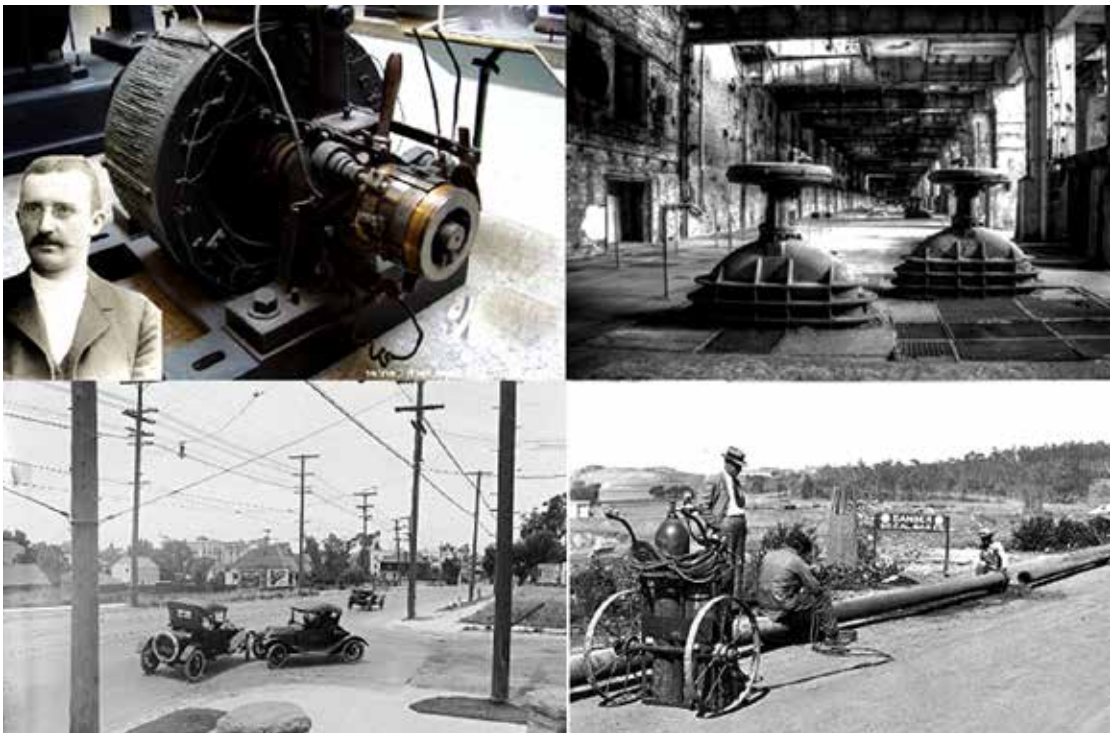
AKBAR CARE INSTITUTE (AKI)

AKI is a therapy centre for all children of Khyber Pakhtunkhwa (K.P.K), Pakistan who have Motor Developmental Delay primarily due to Cerebral Palsy. Cerebral palsy is a disorder of movement, muscle tone or posture that is caused by injury or abnormal development in the immature brain, most often before birth.

As often happens with innovative new projects in the developing world, AKI was inspired by the personal experiences of one woman and her family. Costs and expenses have been met by the founding family through their organization, the Saifullah Foundation for Sustainable Development (SFSD). All services, aids, and referrals are free and no expense is passed onto the client families.

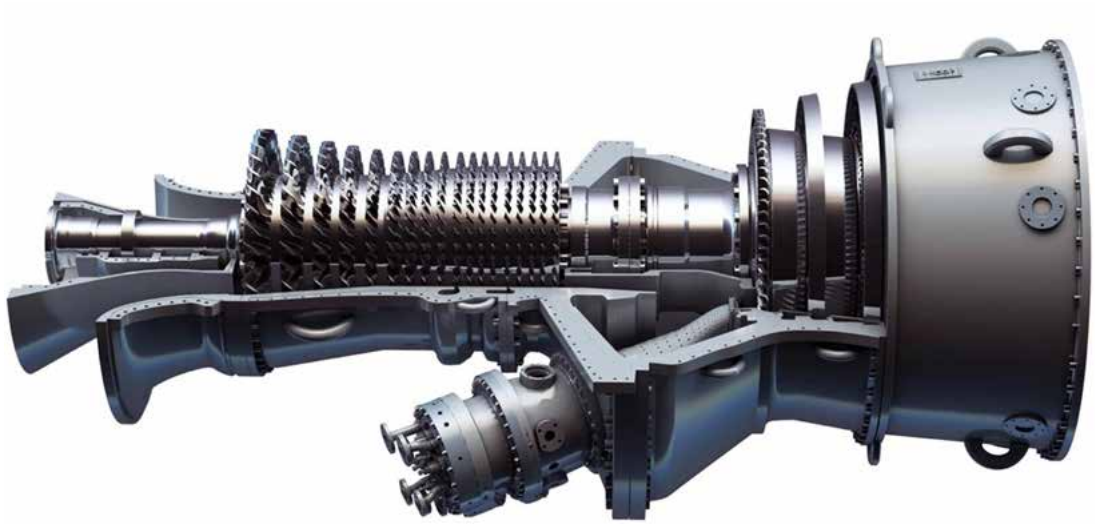
Nostalgic Memories

Early–gasoline–engine–models



Clockwise A: One of the first 3-Phase Generators ever built. B: An old Power Plant. C: Early stages of Gas pipeline laying. D: When transmission lines started to install

Operations



6FA.03 DLN TURBINE AT SAIF POWER LIMITED

The 6FA.03 gas turbines from General Electric France are perhaps the most fuel efficient in the world in their rated capacity. Saif Power Limited's combined cycle efficiency is the highest in Pakistan within such gross capacity.

Operations Analysis

Comparison of Plant Operation For Year 2015 & 2016

Parameters	Units	2016	2015
Plant Operating Hours on Gas Fuel	Hrs	4,291	2,116
Plant Operating Hours on HSD Fuel	Hrs	1,155	2,911
Utilization Factor	%	59.5	51.1
Load Factor	%	59.8	51.6
Complex Reliability Factor	%	99.0	98.2
Complex Start Up Reliability Factor	%	94.7	94.3
Generation on HSD Fuel	MWh	203,446	509,735
Generation on Gas Fuel	MWh	849,562	399,019
Net Generation	MWh	1,053,008	908,754
Period Hours	Hrs	8,784	8,760
Service Hours	Hrs	6,465	5,770
Standby Hours	Hrs	1,658	2,418
Available Hours	Hrs	8,105	8,189
Planned Outage Hours	Hrs	514	523
Unplanned Outage Hours	Hrs	21	49
Total Outage Hours	Hrs	535	572
Availability Factor	%	93.5	93.2

Operations

The plant operator & maintenance contractor and Saif Power Limited's plant management team conduct daily meetings to discuss previous day's results and discrepancies if any, analysis of issues and outline for next day's operations.

Similarly, monthly and quarterly meetings are also held to evaluate the overall performance for the period and to agree on future maintenance & operational aspects and parameters.

Predictive Enhancement and Performance Improvement (PEPI) solutions

Saif Power Limited (SPL) has entered into an agreement with General Electric (GE) who will provide Digital Industrial solutions for the plant.

GE's Digital Power Plant Solutions allow power plant operators to gather sensor data from industrial machines and processes and turn it into actionable intelligence. This intelligence will be used to monitor equipment health, reduce downtime and improve reliability and performance.

The industrial internet solutions are powered by Predix, the world's first and only cloud based operating system built exclusively for industrial assets.

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors (BOD), I am pleased to present the Annual Report of Saif Power Limited for the year ended December 31, 2016, along with the audited financial statements and auditors' report

About the Company

Saif Power Limited (SPL) is an Independent Power Producer (IPP) and its power plant is located at Qadarabad, Sahiwal. The Complex – Combined Cycle Thermal Power Plant is a duel fuel power generating station where the primary fuel is natural gas and the backup fuel is High Speed Diesel (HSD). Gross Capacity of the plant is 225MWs with2 Gas Turbines from GE France and a Steam Turbine from Siemens Sweden. The 6 FA.03 Gas Turbines are perhaps the most fuel efficient in the world in their rated capacity and, our combined cycle efficiency is the highest in Pakistan within such Gross capacity.

Operations

By the grace of God, the operations remained smooth and steady without any negative events. In fact, many system improvements were done to increase Reliability, Availability and Operational Performance. The year 2016 was better in terms of dispatch of electricity due to increased demand on LNG/natural gas from the Power Purchaser. Dispatch was 58.79% for the year as compared to 50.85% in 2015. Out of this, LNG/natural gas accounted for 47.43% and HSD accounted for 11.36%. Availability factor was at 93.5% as against 93% in 2015 while reliability factor was 99% as against 98.2% in 2015.

Financial Performance and Future Outlook

Your Company's performance has been steady. Turnover this year is lower as dispatch was more on LNG/Natural gas which has a substantially cheaper price than HSD. The bottom line is however consistent and your Company's net profit for the year is Rs. 2,312 million (2015: Rs. 2,064 million). Earnings per share stand at Rs. 5.98 (2015: Rs. 5.34).

Your company has entered into an agreement with General Electric (GE) who will provide Digital Industrial solutions for the plant.

GE's Digital Power Plant solutions allow power plant operators to gather sensor data from industrial machines and processes and turn it into actionable intelligence. This intelligence will be used to monitor equipment health, reduce downtime and improve reliability and performance.

Key Financial Data of last 6 years is as follows:

(Rs. in Million)

FOR THE YEAR ENDING DECEMBER	2016	2015	2014	2013	2012	2011
	(Rs. in Million)	(Rs. in Million)	(Rs. in Million)	(Rs. in Million)	(Rs. in Million)	(Rs. in Million)
Turnover	11,946	14,981	18,520	11,891	17,027	12,041
Gross Profit	3,188	3,290	3,746	3,145	3,786	3,376
Net Profit	2,312	2,063	1,988	1,225	1,455	779
Property, Plant and Equipment	14,213	14,802	15,353	15,966	16,213	16,720
Net worth	9,216	7,872	6,969	6,334	6,464	5,010
Long term financing	6,499	7,823	9,529	10,550	11,311	11,895
Short term borrowing	1,267	866	1,508	3,256	4,075	3,966
Earnings per share	5.98	5.34	5.14	3.17	3.76	2.07
Dispatch level	58.79%	50.85%	41.99%	37.96%	49.30%	48.96%
Capacity Made Available-GWHs	1,675	1,652	1,746	1,512	1,633	1,603

Pending Issues

The arbitration award in Company's favor for an amount of Rs.239.68 million against SNGPL was challenged by SNGPL both in Civil court and in Lahore High Court. However, as expected, the LHC dismissed the petition from SNGPL. This amount has already been adjusted against payables to SNGPL.

The Expert's determination in favor of the Company and against NTDC for an amount of Rs.477.56 million was not paid by the Power Purchaser and therefore your company along with other IPPs was forced to go into arbitration. In the meantime, PPIB has obtained a temporary stay from a civil court against initiation of arbitration proceedings. According to our legal advisors, the civil court has no jurisdiction in such a case and the arbitrator will continue with the proceedings

Circular Debt, Risks and Rating

The circular debt remains to create/retain company's receivables. However, your company has no market, liquidity or credit risk as we continue to operate under a regulated market and with a sovereign guarantee from GOP and with adequate lines of working capital borrowing from several banks. PACRA's rating for the Company is A+ in the long term and

A1 in the short term while the Outlook has been determined as Stable

Corporate Social Responsibility + Safety, Health, Environment and Quality

Your company works with all stakeholders to ensure that it complies with all applicable regulations; contributes to community development; provides highest standards of safety, health and environment; offers competitive wages and benefits to its employees. The parent company provides necessary support in this regard with a centralized process.

Funded Gratuity Scheme

The Company operates a funded gratuity scheme, approved during the year under Income Tax Ordinance 2001, for its all permanent employees completing the minimum qualifying period of service as specified by the scheme.

Dividends

Dividend payout for the year is 36.5 % (Rs3.65 per share) as against 37.5% (Rs. 3.75 per share) during the previous year. Unless there is any contingency, the Board of Directors of your company would continue with the policy of paying out all surplus cash available within the company.

Corporate and Financial Reporting Framework:

As required by the Code of Corporate Governance, Directors are pleased to report that:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon Company's ability to continue as a going concern.
- There are no statutory payments on account of taxes, duties, levies and charges which were outstanding as on 31 December 2016 except those as disclosed in financial statements.

- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses.
- During the year the directors, executives, and their spouses and minor children have not traded in Company's shares.

During the year, four Board of Directors' Meetings were held, attendance position was as under:-

Name of Directors	Meetings attended
Mr. Salim Saifullah Khan (Chairman)	04
Mr. Javed Saifullah Khan	03
Mr. Anwar Saifullah Khan	03
Mr. Omer Saifullah Khan (Chief Executive Officer/Director)	04
Mr. Osman Saifullah Khan	03
Mr. Jehangir Saifullah Khan	04
Mrs. Hoor Yousafzai	04

Leave of absence was granted to Director(s) who could not attend any meeting.

During the year, four Audit Committee Meetings were held, attendance position was as under:-

Name of Directors	Meetings attended
Mr. Javed Saifullah Khan (Chairman)	03
Mr. Salim Saifullah Khan	04
Mrs. Hoor Yousafzai	04

Directors' Training

During the year one more Director completed the certified director training program organized by The Institute of Chartered Accountants of Pakistan duly approved by SECP held at Karachi.

Related Party Transactions

Transaction undertaken with related parties during the year have been ratified by audit committee and approved by the Board.

Pattern of Shareholding

The statement of pattern of shareholding as on December 31, 2016 is attached.

Appropriations:

The total dividend to be approved by the shareholders at the Annual General Meeting on April 28, 2017 will be Rs.3.65 per share i.e. 36.5% amounting to Rs. 1,411 million for the year ended December 31, 2016.

Auditors:

The present auditors M/s KPMG Taseer Hadi & Co, Chartered Accountants, Islamabad retire and being eligible, offer themselves for re-appointment for the year 2017. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

Acknowledgement:

The Directors of your company would like to show their appreciation to customer, financial institutions, and regulators and to all other stakeholders for achieving good results and hope that this cooperation and support continues to grow in the future.

The Directors of your company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the company and hope that they will continue to do so in the future.

For and on behalf of the Board

Islamabad
24 March 2017

Salim Saifullah Khan
Chairman

ڈائریکٹرز رپورٹ

منظور شدہ تصرفات:

31 دسمبر 2016ء کو ختم ہونے والے سال کا کل ڈیوڈنڈ جس کی منظوری 28 اپریل 2017ء کو منعقد ہونے والی سالانہ جنرل میٹنگ میں حصص کنندگان (شیئر ہولڈرز) کی طرف سے دی جائے گی، وہ 3.65 روپے فی شیئر یعنی 36.5 فیصد ہوگا جس کی مالیت 1,411 ملین روپے ہے۔

آڈیٹرز:

موجودہ آڈیٹرز KPMG" تاثیر ہادی اینڈ کمپنی"، چارٹرڈ اکاؤنٹنٹس، اسلام آباد جو کہ ریٹائر ہیں اور دوبارہ تعیناتی کے اہل ہیں، وہ سال 2017ء میں خدمات اپنی دوبارہ تعیناتی کے لیے پیش کش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے ان ریٹائر آڈیٹرز کی دوبارہ تعیناتی کے لیے سفارش کی ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز اچھے نتائج حاصل کرنے پر کسٹمرز، مالیاتی اداروں، ریگولیٹرز اور دیگر تمام اسٹیک ہولڈرز کے لئے تعریفی کلمات کہنا چاہتے ہیں اور امید کرتے ہیں کہ مستقبل میں اس تعاون اور حمایت میں اضافہ ہوتا رہے گا۔

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے ملازمین کی طرف سے مسلسل پیش کی گئی خدمات، وفاداری اور کوششوں کے لیے گہری تعریف کا اظہار کرنا چاہتے ہیں اور امید کرتے ہیں کہ وہ مستقبل میں بھی ایسا ہی کریں گے۔

سلیم سیف اللہ خان
چیئرمین

اسلام آباد
24 مارچ 2017ء

اس سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ہر منتظم کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
محترم سلیم سیف اللہ خان (چیئرمین)	04
محترم جاوید سیف اللہ خان	03
محترم انور سیف اللہ خان	03
محترم عمر سیف اللہ خان (چیف ایگزیکٹو آفیسر/ڈائریکٹر)	04
محترم عثمان سیف اللہ خان	03
محترم جہانگیر سیف اللہ خان	04
محترمہ حور یوسف زئی	04

بورڈ نے ان منتظمین کو رخصت دی تھی جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے۔

اس سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ جن کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
محترم جاوید سیف اللہ خان	03
محترم سلیم سیف اللہ خان	04
محترمہ حور یوسف ذئی	04

ڈائریکٹرز کی ٹریننگ:

اس سال کے دوران ایک اور ڈائریکٹر نے "سند یافتہ ڈائریکٹر ٹریننگ پروگرام" مکمل کر لیا، یہ پروگرام "انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان" کی طرف سے منظم ہوا جو کہ "SECP" کی طرف سے منظور شدہ ہے، اور اس کا انعقاد کراچی میں ہوا۔

متعلقہ پارٹی (related party) سے لین دین:

سال کے دوران متعلقہ فریقوں (realted parties) کے ساتھ کئے گئے لین دین کی آڈٹ کمیٹی کی طرف سے توثیق ہو چکی ہے اور اسے بورڈ کی طرف سے منظور کیا گیا ہے۔

شیئر ہولڈنگ پیٹرن:

شیئر ہولڈنگ پیٹرن جیسا کہ 31 دسمبر 2016ء پر تھا اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز رپورٹ

کارپوریٹ کی سماجی ذمہ داری+حفاظت،صحت،ماحول اور معیار:

آپ کی کمپنی تمام اسٹیک ہولڈرز کے ساتھ اس بات کو یقینی بناتے ہوئے کام کرتی ہے کہ یہ کمپنی تمام قابل اطلاق قوانین پر عمل پیرا ہوتی ہے؛ کمیونٹی کی ترقی کے لئے حصہ ڈالتی ہے؛ حفاظت،صحت اور ماحول کے اعلیٰ ترین معیارات فراہم کرتی ہے؛ اپنے ملازمین کو مسابقتی تنخواہ اور فوائد مہیا کرتی ہے۔ پیرنٹ کمپنی ایک مرکزی عمل کے ساتھ اس سلسلے میں ضروری مدد فراہم کرتی ہے۔

فنڈز فراہم کردہ گریجویٹی سکیم:

کمپنی ایک ایسی فنڈز فراہم کردہ گریجویٹی سکیم چلاتی ہے جو کہ اس سال کے دوران "انکم ٹیکس آرڈیننس" 2001 کے تحت منظور ہوئی، اور یہ سکیم کمپنی کے ان تمام مستقل ملازمین کے لیے ہے جو کہ سکیم کی طرف سے مخصوص کردہ سروس کی کم از کم کوالیفائنگ مدت کو مکمل کرتے ہیں۔

تقسیم شدہ منافع:

اس سال تقسیم شدہ منافع کی ادائیگی 36.5 فیصد (یعنی 3.65 روپے فی شیئر) رہی جب کہ پچھلے سال کے دوران یہ 37.5 فیصد (یعنی 3.75 روپے فی شیئر) تھی۔ جب تک کوئی ہنگامی صورت حال نہیں ہوگی، آپ کی کمپنی کے بورڈ آف ڈائریکٹرز، کمپنی کے اندر اندر تمام سرپلس نقد کی ادائیگی کی پالیسی کو جاری رکھیں گے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

جیسا کہ کارپوریٹ گورننس کوڈ کی طرف سے مطلوب ہے، ڈائریکٹرز یہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں:

- کمپنی انتظامیہ کی طرف سے تیار کردہ مالی بیانات، کمپنی کے معاملات کی اصل حالت، نقد رقم کے بہاؤ، ایکوئٹی میں تبدیلیوں اور کاروائیوں کے نتائج کو منصفانہ طریقے سے پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا جا چکا ہے۔
- ان مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کر دیا گیا ہے اور اکاؤنٹنگ اندازہ جات کی بنیاد معقول اور منصفانہ فیصلہ پر رکھی گئی ہے۔
- ان مالیاتی بیانات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو کہ پاکستان میں قابل عمل ہیں، کی پیروی کی گئی ہے اور ہر چیز کی مناسب طور پر وضاحت کر دی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے، اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی اچھے سے نگرانی کی گئی ہے۔
- حالیہ تشویش (going concern) کے طور پر جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- ٹیکس، فرائض، لیویز اور الزامات کے اکاؤنٹ پر کوئی قانونی ادائیگی نہیں ہے جو کہ ۳۱ دسمبر 2016ء تک واجب الادا ہیں سوائے ان ادائیگیوں کے جن کا انکشاف مالی بیانات میں کر دیا گیا ہے۔
- بورڈ کے تمام ڈائریکٹرز، کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر واقف ہیں۔ ڈائریکٹرز کو واقفیتی کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- اس سال کے دوران ڈائریکٹرز، ایگزیکٹوز، اور ان کی بیویوں اور نابالغ بچوں کی طرف سے کمپنی کے حصص میں کوئی ٹریڈنگ نہیں ہوئی۔

گزشتہ 6 سال کا اہم مالیاتی ڈیٹا درج ذیل ہے:

برائے اختتامی سال دسمبر	2016	2015	2014	2013	2012	2011
	(ملین روپے)	(ملین روپے)	(ملین روپے)	(ملین روپے)	(ملین روپے)	(ملین روپے)
منافع	11,946	14,981	18,519	11,891	17,027	12,040
مجموعی منافع	3,188	3,290	3,746	3,145	3,786	3,376
کل منافع	2,312	2,063	1,988	1,224	1,454	779
جائیداد, پلانٹ اور سامان	14,213	14,802	15,353	15,966	16,213	16,720
کل قیمت	9,234	7,872	6,969	6,334	6,464	5,010
لمبی مدت کی مالیاتی امور	6,499	7,823	9,529	10,550	11,311	11,895
چھوٹی مدت کے قرضے	1,267	866	1,508	3,256	4,075	3,966
فی حصص منافع	5.98	5.34	5.14	3.17	3.76	2.07
ترسیل کی سطح	58.79%	50.85%	41.99%	37.96%	49.30%	48.96%
دستیاب صلاحیت GWHs	1,675	1,652	1,746	1,512	1,633	1,603

زیرالتواء مسائل:

سوئی ناردرن گیس کے خلاف 239.68 ملین روپے کے لئے کمپنی کے حق میں ثالثی ایوارڈ کو سوئی ناردرن کی طرف سے سول عدالت اور لاہور ہائی کورٹ دونوں میں چیلنج کیا گیا تھا۔ تاہم، توقع کے مطابق، لاہور ہائی کورٹ نے سوئی ناردرن کی جانب سے دائر درخواست کو مسترد کر دیا۔ یہ رقم پہلے ہی سوئی ناردرن کو قابلِ ادائیگی رقم کے برخلاف ایڈجسٹ کر دی گئی ہے۔

ایکسپورٹ کا فیصلہ بھی کمپنی کے حق میں اور "NTDC" کے خلاف ہے اور اس کی وجہ 477.56 ملین روپے کی وہ رقم ہے جو کہ بجلی خریداروں کی طرف سے ادا نہیں کی گئی اور اس کے حصول کے لیے دوسرے آئی پی پیز (IPPs) کے ساتھ ساتھ آپ کی کمپنی کو بھی ثالثی میں جانے پر مجبور کیا گیا۔ اسی دوران، پی پی آئی بی (PPIB) نے، ثالثی کارروائی شروع کرنے کے خلاف سول کورٹ سے ایک عارضی "stay" حاصل کر لیا ہے۔ ہمارے قانونی مشیروں کے مطابق، سول عدالت کو ایسی صورت میں ایسا کوئی اختیار نہیں اور ثالث اپنی کارروائی کو جاری رکھے گا۔

گردشی قرضہ جات، خطرات اور درجہ بندی:

گردشی قرضہ جات (سرکلر ڈیٹ) کمپنی کی وصولی بنانے/ برقرار رکھنے کے لئے جاری رہتے ہیں۔ تاہم، آپ کی کمپنی کی کوئی مارکیٹ، لیکویڈیٹی یا اس کا کوئی کریڈٹ رسک نہیں ہے کیوں کہ ہم ایک نافذ العمل مارکیٹ کے تحت اور حکومتِ پاکستان کی طرف سے ایک خودمختار ضمانت کے ساتھ اور کئی بینکوں سے ادھار لیے ہوئے ورکنگ کیپٹل کی مناسب ہدایات کے ساتھ کاروبار جاری رکھتے ہیں۔ "PACRA" کی طرف سے کمپنی کی طویل مدتی درجہ بندی میں A+ ہے اور کم مدتی میں A1 ہے جب کہ آؤٹ لک مستحکم مقرر کیا گیا ہے۔

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز(BOD) کی جانب سے مجھے "سیف پاور لمیٹڈ"(SPL) کی، 31 دسمبر 2016ء کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ اس رپورٹ کے ساتھ محاسبہ شدہ مالی بیانات اور محاسبین کی رپورٹ بھی ہے۔

کمپنی کے بارے میں:

"سیف پاور لمیٹڈ"(SPL) بجلی پیدا کرنے والا ایک خودمختار(IPP) ادارہ ہے اور اس کا بجلی گھر قادر آباد، ساہیوال میں ہے۔" کمپلیکس– کمبائنڈ سائیکل تھرمل پاور پلانٹ" دو ایندھن کی مدد سے بجلی پیدا کرنے والا ایک ایسا اسٹیشن ہے جہاں پرائمری ایندھن، "قدرتی گیس" ہے اور بیک اپ ایندھن، "ہائی سپیڈ ڈیزل "(HSD) ہے۔ جنرل الیکٹرک فرانس کے دوطرفہ گیس ٹربائن اور سیمنز سویڈن کے ایک سٹیم ٹربائن کے ساتھ پلانٹ کی مجموعی پیداواری صلاحیت 225 میگاواٹ ہے۔'' 6FA.03'' ہیوی ڈیوٹی گیس ٹربائن اپنی درجہ بندی کی صلاحیت میں ایندھن کے لحاظ سے شاید دنیا میں سب سے موثر ہیں اور مجموعی صلاحیت کے لحاظ سے ہمارے" کمبائنڈ سائیکل تھرمل پاور پلانٹ" کی کارکردگی پاکستان میں سب سے زیادہ ہے۔

کارکردگی:

خدا کے فضل سے، ہماری کارکردگی کوئی بھی منفی واقعہ رونما ہوئے بغیر ہموار اور مستحکم رہی ہے۔ دراصل، اعتماد، دستیابی اور آپریشنل کارکردگی کو بڑھانے کے لئے سسٹم میں بہت سی اصلاحات کی گئی ہیں۔ بجلی خریداروں کی "ایل این جی/ قدرتی گیس" کی بڑھتی ہوئی مانگ کی وجہ سے سال 2016ء بجلی کی ترسیل کے لحاظ سے بہتر تھا۔ بجلی کی ترسیل سال 2015ء میں 50.85 فیصد تھی جب کہ اس کے مقابلے میں بجلی کی ترسیل اس سال 58.79 فیصد رہی، جس میں "ایل این جی/ قدرتی گیس" کا حصہ 47.43 فیصد رہا اور "ہائی سپیڈ ڈیزل"(HSD) کا حصہ 11.36 فیصد رہا۔ دستیابی کا عنصر سال 2015ء میں 93 فیصد تھا اس کے مقابلے میں یہ اس سال 93.5 فیصد رہا جب کہ اعتمادیت کا عنصر سال 2015ء میں 98.2 فیصد تھا جو کہ اس سال 99 فیصد رہا۔

مالیاتی کارکردگی اور مستقبل کے امکانات:

آپ کی کمپنی کی کارکردگی مستحکم رہی ہے۔ کمپنی کی کل مجموعی فروخت اس سال کم رہی کیوں کہ بجلی کی ترسیل "ایل این جی/ قدرتی گیس" پر زیادہ تھی اور اس کی قیمت "ہائی سپیڈ ڈیزل"(HSD) سے کافی کم ہے۔ تاہم نیچے والا (Bottom Line) لیول یکساں ہے اور اس سال آپ کی کمپنی کا خالص منافع 2,312 ملین ہے (جو کہ سال 2015ء میں 2,064 ملین تھا)۔ فی شیئر آمدنی 5.98 روپے رہی (جو کہ سال 2015ء میں 5.34 روپے فی شیئر تھی)۔

آپ کی کمپنی جنرل الیکٹرک(GE) کے ساتھ ایک معاہدے میں داخل ہو چکی ہے جس کے تحت وہ پلانٹ کے لئے ڈیجیٹل صنعتی حل فراہم کرے گا۔

"جنرل الیکٹرک(GE) کا ڈیجیٹل پاور پلانٹ سلوشن" پاور پلانٹ آپریٹرز کو صنعتی مشینوں اور طریقوں سے سینسر ڈیٹا کو جمع کرنے اور اس کو قابلِ عمل انٹیلی جنس میں تبدیل کرنے کی اجازت دیتا ہے۔ یہ انٹیلی جنس ساز و سامان کی نگرانی کرنے، کمپنی کے کام کی بندش کو کم کرنے اور اعتماد و کارکردگی کو بہتر بنانے کے لئے استعمال کیا جائے گا۔

Statement of Compliance with the Code of Corporate Governance (CCG)

This statement is being presented to comply with the Code of Corporate Governance (the code) contained in listing regulations of Pakistan Stock Exchange Limited (PSX) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Director	Mr. Omar Saifullah Khan
Non- Executive Directors	Mr. Salim Saifullah Khan
	Mr. Anwar Saifullah Khan
	Mr. Javed Saifullah Khan
	Mr. Osman Saifullah Khan
	Mr. Jehangir Saifullah Khan
	Ms. Hoor Yousafzai

Independent Director	Election of directors was held on 31 October 2014 i.e. prior to listing. Hence independent director will be appointed in next election of directors.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All directors are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI and not a member of a stock exchange and none of them has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the period.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors if any, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Within the Board of Directors six directors comply with the requirements of 15 years practical experience/ directors' training program. The remaining one director would complete certifications under directors' training program in due course of time.

10. The appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary, including their remuneration and terms and conditions of employment, has been approved by the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CFO and CEO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises 3 members, who are non-executive directors and chairman of committee is a non-executive director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed Human Resource and Remuneration Committee. It comprises of three members, who are non-executive directors and the chairman of the committee is a non-executive director.

18. The board has set up an effective internal audit function.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants ('ICAP'), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants ('IFAC') guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. The Company has complied with the requirements relating to the maintenance of register of persons having access to inside information by designated senior officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

Islamabad
24 March 2017

Salim Saifullah Khan
Chairman

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Saif Power Limited ("the Company") for the year ended 31 December 2016 to comply with the requirements of Listing Regulation No. 5.19.24 of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2016.

KPMG Taseer Hadi & Co.
Chartered Accounts
Engagement Partner:
Riaz Pesnani

Islamabad
24 March 2017

Auditors' Report to the Members

We have audited the annexed balance sheet of Saif Power Limited ("the Company") as at 31 December 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion-

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

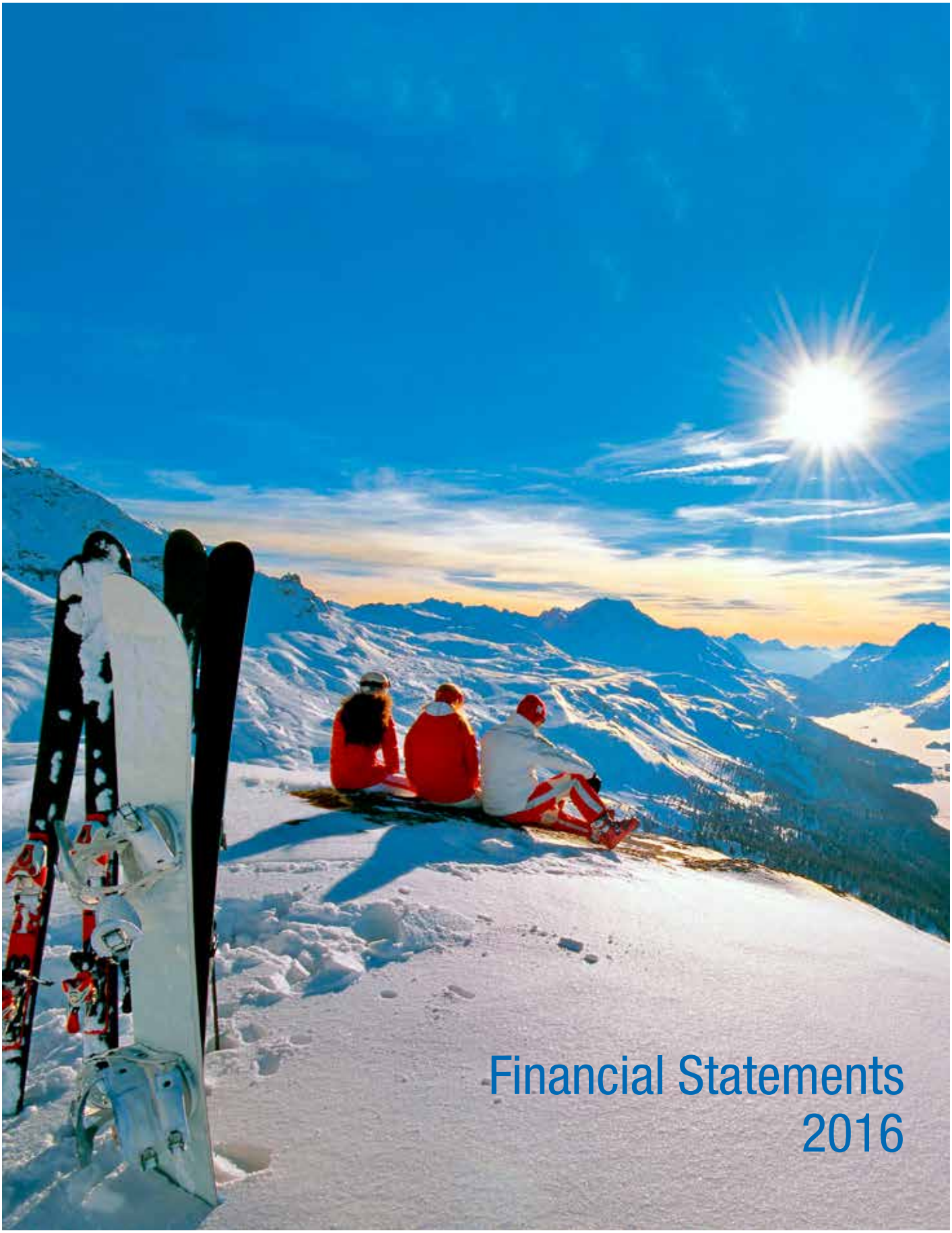
c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

We draw attention to note 15.2 and 15.3 to the financial statements, which describe the matters regarding the recoverability and adjustment of certain trade debts. Our opinion is not qualified in respect of these matters.

KPMG Taseer Hadi & Co.
Chartered Accounts
Engagement Partner:
Riaz Pesnani

Islamabad
24 March 2017



Financial Statements 2016

Balance Sheet

As at 31 December 2016

	Note	2016	2015
		Rupees	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	4	3,864,717,790	3,864,717,790
Unappropriated profit		5,351,061,011	4,006,987,470
		9,215,778,801	7,871,705,260
NON-CURRENT LIABILITIES			
Long term financing	5	4,761,277,269	6,404,276,170
Sub-ordinated loan	6	722,932,879	65,965,049
Liabilities against assets subject to finance lease	7	2,015,640	6,121,178
Deferred liability - gratuity	8	36,235,421	31,108,775
		5,522,461,209	6,507,471,172
CURRENT LIABILITIES			
Trade and other payables	9	1,126,812,998	2,656,970,804
Markup accrued	10	359,724,299	377,846,903
Short term borrowings	11	1,266,873,073	865,803,310
Current portion of non current liabilities	12	1,742,259,627	2,079,671,377
		4,495,669,997	5,980,292,394
TOTAL EQUITY AND LIABILITIES		19,233,910,007	20,359,468,826
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

	Note	2016	2015
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	14,213,512,866	14,802,174,440
Long term deposits		4,674,560	1,281,200
		14,218,187,426	14,803,455,640
CURRENT ASSETS			
Stock in trade - HSD		128,114,620	128,210,622
Trade debts	15	4,377,319,135	5,075,065,458
Advances	16	2,320,034	5,099,829
Trade deposits and short term prepayments	17	47,174,940	49,694,746
Other receivables	18	296,082,915	281,794,631
Advance income tax		11,947,872	11,382,439
Bank balances	19	152,763,065	4,765,461
		5,015,722,581	5,556,013,186
TOTAL ASSETS		19,233,910,007	20,359,468,826

Director

Profit and Loss Account

For the year ended 31 December 2016

	Note	2016	2015
		Rupees	
Turnover - net	20	11,946,156,136	14,981,247,376
Cost of sales	21	(8,758,048,644)	(11,691,574,582)
Gross profit		3,188,107,492	3,289,672,794
Administrative expenses	22	(127,836,390)	(102,858,161)
Finance cost	23	(760,674,058)	(1,151,999,853)
Other income	24	12,736,311	27,800,372
Profit for the year		2,312,333,355	2,062,615,152
Earnings per share - basic and diluted	25	5.98	5.34

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

Director

Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	2016	2015
		Rupees	
Profit for the year		2,312,333,355	2,062,615,152
Other comprehensive income for the year			
Items that will never be reclassified to profit and loss account			
Remeasurements of defined benefit obligation	8	(2,080,367)	(510,563)
Total comprehensive income for the year		2,310,252,988	2,062,104,589

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

Director

Cash Flow Statement

For the year ended 31 December 2016

	Note	2016	2015
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		2,312,333,355	2,062,615,152
Adjustments for non cash items:			
Provision for staff retirement benefits - gratuity	8	7,516,777	6,461,703
Depreciation	14	588,247,825	588,385,880
Amortization		-	213,252
Finance cost	23	759,796,758	1,138,493,325
Gain on sale of property, plant and equipment	24	(695,959)	(558,816)
Insurance claim	24	(1,232,700)	-
Profit on deposit accounts	24	(1,152,093)	(10,391,185)
Return on investments	24	(9,453,831)	(16,599,951)
Operating profit before working capital changes		3,655,360,132	3,768,619,360
(Increase) / decrease in current assets			
Stock in trade		96,002	99,952,924
Trade debts		697,746,323	(657,810,906)
Advances		2,779,795	1,622,718
Trade deposits and prepayments		2,519,806	9,909,017
Other receivable		(14,288,284)	(1,356,535)
(Decrease) / increase in trade and other payables		(1,530,443,439)	1,636,106,417
Net cash generated from operations		2,813,770,335	4,857,042,995
Income taxes paid		(565,433)	(4,016,268)
Finance cost paid		(777,919,362)	(1,280,369,809)
Staff retirement benefits paid		(4,380,898)	(56,000)
Net cash generated from operating activities		2,030,904,642	3,572,600,918
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,114,373)	(1,209,414)
Increase in long term deposits		(3,393,360)	(769,400)
Proceeds from disposal of property, plant and equipment		1,670,802	1,372,249
Insurance claim received		1,785,978	-
Profit on deposit accounts		1,152,093	10,391,185
Return on investments - receipt		9,453,831	16,599,951
Net cash generated from investing activities		9,554,971	26,384,571
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(1,323,739,259)	(1,705,458,675)
Dividend paid		(965,983,414)	(1,776,366,406)
Short term borrowings - net		401,069,763	(642,529,289)
Repayment of liabilities against assets subject to finance lease		(3,809,099)	(3,673,621)
Net cash used in financing activities		(1,892,462,009)	(4,128,027,991)
Net increase / (decrease) in cash and cash equivalents		147,997,604	(529,042,502)
Cash and cash equivalents at beginning of the year		4,765,461	533,807,963
Cash and cash equivalents at end of the year		152,763,065	4,765,461

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

Director

Statement of Changes in Equity

For the year ended 31 December 2016

	Share capital	Unappropriated profit	Total
	Rupees		
Balance at 01 January 2015	3,864,717,790	3,104,298,218	6,969,016,008
Total comprehensive income for the year			
Profit for the year	-	2,062,615,152	2,062,615,152
Other comprehensive income	-	(510,563)	(510,563)
Total comprehensive income for the year	-	2,062,104,589	2,062,104,589
Transaction with owners of the company			
Distributions			
First interim dividend - 2015 @ Rs. 1.5 per share	-	(579,707,669)	(579,707,669)
Second interim dividend - 2015 @ Rs. 0.75 per share	-	(289,853,834)	(289,853,834)
Third interim dividend - 2015 @ Rs. 0.75 per share	-	(289,853,834)	(289,853,834)
Total distributions	-	(1,159,415,337)	(1,159,415,337)
Balance at 31 December 2015	3,864,717,790	4,006,987,470	7,871,705,260
Balance at 01 January 2016	3,864,717,790	4,006,987,470	7,871,705,260
Total comprehensive income for the year			
Profit for the year	-	2,312,333,355	2,312,333,355
Other comprehensive income	-	(2,080,367)	(2,080,367)
Total comprehensive income for the year	-	2,310,252,988	2,310,252,988
Transaction with owners of the company			
Distributions			
Final dividend - 2015 @ Rs. 0.75 per share	-	(289,853,834)	(289,853,834)
First interim dividend - 2016 @ Rs. 1.75 per share	-	(676,325,613)	(676,325,613)
Total distributions	-	(966,179,447)	(966,179,447)
Balance at 31 December 2016	3,864,717,790	5,351,061,011	9,215,778,801

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

Director

1 STATUS AND NATURE OF OPERATIONS

Saif Power Limited ("the Company") was incorporated in Pakistan on 11 November 2004 as a public limited Company under the Companies Ordinance 1984. The shares of the Company were listed on Karachi Stock Exchange Limited however, due to integration of all three exchange of Pakistan into Pakistan Stock Exchange Limited effective 11 January 2016, the shares of the Company are now quoted on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a combined cycle power plant having nameplate capacity of 225 MW (ISO) in district Sahiwal, Punjab, Pakistan and sell the electricity to National Transmission and Despatch Company (NTDC). The registered office of the Company is situated at Kulsum Plaza, Blue Area, Islamabad. The Company has commenced operations from 30 April 2010. The Company is a subsidiary of Saif Holdings Limited ("the Holding Company") with shareholding of 51.04% shares (2015: 51.04%)

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for staff retirement benefits, which has been measured at values determined through actuarial valuation.

2.3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods. Judgments and estimates made by management in the application of approved accounting standards that may have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next years are discussed in the ensuing paragraphs;

(a) Property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on a regular basis. Any change in estimate in future years might affect the carrying amounts of the respective items of property, plant and equipments with

corresponding effect on depreciation charge and impairment.

(b) Impairment of financial assets

In making an estimate of future cash flows of the Company's financial assets, the management considers estimated cash flows and their terminal value for impairment testing.

(c) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using the criteria given in respective accounting standards to determine the extent of impairment loss, if any.

(d) Taxation

The Company takes into account the current income tax law and decisions taken by the tax authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

(e) Employee benefits

Defined benefits plan is provided for permanent employees of the Company for which deferred liability is recognized in the Company's financial statements. The calculation of defined benefit liability requires assumptions to be made of future outcomes, the principal ones being in respect of expected salary growth, expected mortality of active members and the discount rate used to convert future cash flows to current values. Calculations are sensitive to the changes in assumptions used.

(f) Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares and stock in trade on regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on regular basis and if there is any doubt about the realisability of these receivables, appropriate amount is provided for.

(g) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost, if any.

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, it is disclosed as contingent liability.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is the Company's functional currency. All financial information presented in PKR has been rounded off to the nearest of PKR, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

(a) Tangible assets

Owned

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land, stores held for capitalization and capital work in progress which are stated at cost less impairment loss, if any. Cost comprises purchase price, including import duties, non-recourse purchase taxes and other related costs of bringing the asset to its present working condition and location for intended use. While exchange gains or losses on long term foreign currency loans utilized for acquisition of assets are added to / deducted from cost of respective asset in accordance with note 3.8.

Depreciation is charged to profit and loss account on straight line method at the rates given in note 14, after taking into account their respective residual values if any, so as to write off the cost of assets over their estimated useful lives whereby depreciable amount adjusted for above exchange rate movements of an asset is written off over its remaining estimated useful life. Depreciation is charged from the month asset is available for use where as no depreciation is charged in the month in which the asset is disposed off.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred whereas major improvements and modifications are capitalised. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit and loss account.

Leased assets

Assets subject to finance lease in which the Company bears substantially all risks and rewards of ownership of the assets are recognised at the inception of lease at lower of their fair value and the present value of minimum lease payments. Related obligations under the agreement are accounted for as liabilities and financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability. Depreciation is charged on leased assets at the rates given in note 14.

3.2 Staff retirement benefits - Defined benefit plan

The Company operates a funded gratuity scheme, approved during the year under Income Tax Ordinance 2001, for its all permanent employees completing the minimum qualifying period of service as specified by the scheme. Provision for gratuity is made to cover obligations under the scheme in accordance with actuarial recommendations. The latest actuarial valuation was carried out by the Company as on December 31, 2016. The actuarial gains and losses are

recognized in other comprehensive income in the year in which they arise. The details of actuarial valuation are given in note 8 to the financial statements.

3.3 Taxation

(a) Current

The profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further, the Company is also exempt from minimum tax on turnover under clause (11 A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

(b) Deferred

Deferred tax has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

3.4 Borrowing costs

Borrowing costs on loans which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that these are regarded as adjustment to borrowing cost. All other borrowing costs are charged to profit or loss account.

3.5 Markup bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at originally recognized amount less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the profit and loss account over the period of borrowings on an effective rate basis.

3.6 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle such obligations and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate.

3.7 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined using moving weighted average cost method. Cost of inventory comprises of the purchase price and other direct costs incurred in bringing the inventory items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

3.8 Foreign currency transactions and translations

(a) Foreign currency transactions are recorded in PKR at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevalent on the balance sheet date. Non monetary assets that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are accounted for as follows:

(b) Exchange differences related to foreign currency loans obtained for financing of the plant and machinery. Exchange differences related to plant are depreciated over the remaining useful life of the related assets in accordance with SRO 24 (1) / 2012 of SECP.

(c) All other exchange differences are charged to the profit and loss account on net basis.

3.9 Revenue recognition

Revenue from sale of electricity to National Transmission and Despatch Company Limited (NTDC) is recognised based on the transmission of electricity and whereas on account of capacity is recognised when due, at rates as specified under the Power Purchase Agreement (PPA) and revised reference tariff determined by National Electric Power Regulatory Authority (NEPRA) and after incorporation of relevant applicable quarterly indexation.

3.10 Financial instruments

Non-derivative financial assets

These are initially recognized on the date that they are originated i.e. on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Investments are recognised on settlement date.

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company's non-derivative financial assets are classified as loans and receivables.

Loans and receivables comprise trade debts, deposits, other receivables and cash and cash equivalents.

Trade debts, deposits and other receivables

Deposits and trade and other receivable are stated initially at the fair value, subsequent to initial recognition these are stated at their amortised cost as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of counterparty accounts. The Company regularly reviews its debts and receivables that remain outstanding past their applicable payment terms and establishes allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, running finance under mark-up arrangements and short term investments and are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Non-derivative financial liabilities

The Company initially recognises non derivative financial liabilities on the date that they are originated or the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

These financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Non derivative financial liabilities comprise mark-up bearing borrowings including long term financing, obligations under finance lease, Subordinated loan, short term borrowings and trade and other payables.

Trade and other payables

Liabilities for trade and other payable are carried at amortized cost, which approximates the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

Borrowings

Subsequent to initial recognition borrowings are measured at amortised cost using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under mark-up payable on borrowings to the extent of the amount remains unpaid.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.11 Finance income and finance cost

Finance income comprises exchange gain, profit on deposit accounts and profit on short term investment. Profit on deposit accounts is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on term deposit receipts is recognized on time proportion basis taking into account the effective yield of such securities. Foreign currency gains and losses are reported on a net basis.

Finance cost comprises interest expense on borrowings, interest on finance lease liabilities, bank charges, exchange loss - net and other charges on borrowings. Mark-up and other charges on borrowings other than expense incurred on qualifying assets are charged to profit and loss account in the period in which they are incurred.

3.12 Impairment

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account.

Impairment loss recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant assets are assessed for specific impairment. All individually significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

3.13 Provisions for Workers' Profit Participation Fund

The Company does not account for Provision for Workers Profit Participation Fund (WPPF) in its financial statements as they are pass through items to NTDC under the Power Purchase Agreement (PPA). In case the liability arises, it is recovered from NTDC.

3.14 Dividend

Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.15 Forthcoming changes in approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017:

Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.

Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The above amendments are not likely to have an impact on Company's financial statements.

	2016	2015
4 SHARE CAPITAL	Rupees	
4.1 Authorized share capital		
405,000,000 (2015: 405,000,000) ordinary shares of Rs.10 each	4,050,000,000	4,050,000,000
4.2 Issued, subscribed and paid-up capital		
386,471,779 (2015: 386,471,779) ordinary shares of Rs. 10 each fully paid in cash	3,864,717,790	3,864,717,790

4.3 Saif Holdings Limited ("Holding Company") holds 197,272,619 i.e. 51.04% (2015: 197,272,619 i.e. 51.04%) ordinary shares of Rs.10/- each at the balance sheet date and 20,002 (2015: 20,002) ordinary shares of Rs. 10 each and 100 (2015: 200) ordinary shares of Rs. 10 each are held by nominee directors and associated companies respectively.

	Note	2016	2015
5 LONG TERM FINANCING - SECURED		Rupees	
Loan from banking companies and financial institutions			
Syndicate term finance facilities	5.1	6,499,483,656	7,823,222,915
Current portion of long term financing	12	(1,738,206,387)	(1,418,946,745)
		4,761,277,269	6,404,276,170

5.1 Breakup of syndicate term finance facilities is as follows:

Syndicate term finance facility under SFA	5.1.1	5,388,869,013	6,488,673,007
Syndicate term finance facility under TFFA	5.1.2	1,110,614,643	1,334,549,908
		6,499,483,656	7,823,222,915

5.1.1 Syndicated term finance facility under Senior Facility Agreement ("SFA")

	2016	2015
	Rupees	
National Bank of Pakistan	1,237,424,275	1,512,154,715
Habib Bank Limited	1,237,424,275	1,512,154,715
United Bank Limited	1,309,895,967	1,512,154,715
Allied Bank Limited	593,963,650	725,834,260
Faysal Bank Limited	247,484,855	302,430,944
Askari Bank Limited	247,484,855	302,430,944
Bank of Punjab	247,484,855	302,430,944
Pak Oman Investment Company Limited	148,490,911	181,458,564
Saudi Pak Industrial & Agricultural Investment Company Limited	119,215,370	137,623,206
	5,388,869,013	6,488,673,007

This represents a syndicated senior facility of Rs. 10,727.53 million (2015: Rs. 10,727.53 million) obtained from a consortium of seven banks and two investment companies led by Habib Bank Limited, an agent bank. The facility carries mark-up at the rate of 3 months KIBOR plus 3% per annum with no floor or cap and payable in quarterly installments in a period of ten years, started from 30 June 2010. The facility is secured against immovable property located at Sahiwal, project receivables, sponsors' shares constituting 51% of total issued share capital of the Company, lien over project accounts and all present and future assets and properties of the Company for an amount of Rs. 27,210.47 million (2015: Rs. 27,210.47 million).

5.1.2 Syndicated term finance facility under Term Finance Facility Agreement ("TFFA")

	2016	2015
	Rupees	
National Bank of Pakistan	255,050,941	310,996,904
Habib Bank Limited	255,050,941	310,996,904
United Bank Limited	269,842,043	310,996,904
Allied Bank Limited	122,424,451	149,278,513
Faysal Bank Limited	51,010,187	62,199,379
Askari Bank Limited	51,010,187	62,199,379
Saudi Pak Industrial & Agricultural Investment Company Limited	24,609,593	28,362,916
Pak Brunei Investment Company Limited	81,616,300	99,519,009
	1,110,614,643	1,334,549,908

This represents a syndicated term finance facility of Rs. 2,180 million (2015: Rs. 2,180 million) obtained from a consortium of six banks and two investment companies led by Habib Bank Limited, an "Agent Bank". The facility carries mark-up at the rate of 3 months KIBOR plus 3% per annum with no floor or cap and payable in quarterly installments in a period of ten years, started from 30 June 2010. The facility is secured against immovable property located at Sahiwal, project receivables, sponsors' shares constituting 51% of total issued share capital of the Company, lien over project accounts and all present and future assets and properties of the Company for an amount of Rs. 2,906.66 million (2015: Rs. 2,906.66 million).

5.2 Subject to certain materiality test, significant covenants of above facilities are as follows:

(i) Restriction of creation of further charge on the Company's assets;
(ii) Certain restriction on distribution of dividend;
(iii) Maintenance of debt service coverage ratio, debt equity ratio and leverage ratio.

Further covenants under these loans relate to the operation of the Company, project accounts, PPA and material agreements.

6 SUB-ORDINATED LOAN - UNSECURED	Note	2016	2015
		Rupees	
Opening balance		65,965,049	693,960,378
Exchange loss capitalized	6.2	-	28,972,501
Effect of rescheduling		656,967,830	-
	6.1	722,932,879	722,932,879
Current portion of subordinated loan	12	-	(656,967,830)
		722,932,879	65,965,049

6.1 This represents remaining balance of US $ 6,898,215 (2015: US $ 6,898,215) from the original foreign currency loan of US $ 8,946,353 obtained from Orastar Limited incorporated under the laws of British Virgin Island (BVI), duly registered with State Bank of Pakistan (SBP). The loan carries a mark-up at the rate of 3 months USD LIBOR plus 3% per annum and payable in quarterly installments in a period of six years subject to availability of surplus funds available for distribution. As per agreement, the Company can also issue shares to Orastar Limited in lieu of repayment on mutually agreed basis.

During the year this loan was rescheduled on request of the Company. As per the amended repayment schedule, the first repayment of rescheduled loan is due in January 2019. All others term and conditions of the loan agreement remain the same. The amendment is duly registered with State Bank of Pakistan.

6.2 Exchange loss on sub-ordinated loan has been capitalized as disclosed in note 3.8 (b).

7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	2016			2015
	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments	Present value of minimum lease payments
	Rupees			
Within one year	4,312,236	258,996	4,053,240	3,756,802
Later than one year and not later than five years	2,048,704	33,064	2,015,640	6,121,178
	6,360,940	292,060	6,068,880	9,877,980

7.1 Minimum lease payments have been discounted at an implicit interest rates ranging from 7.01% to 8.99% (2015: 8.85% to 12.67%) per annum. Lease rental are repayable monthly. These lease facilities were arranged by Holding Company from bank and title to the assets acquired under the leasing arrangements are transferable to the Company upon payment of entire lease obligations and on adjustment of lease key deposits.

8 DEFERRED LIABILITY - GRATUITY

		2016	2015
		Rupees	
The amount recognized in the balance sheet is as follows:			
Present value of defined benefit obligation		36,235,421	31,108,775
The movement in present value of defined benefit obligation is as follows;			
Opening balance		31,108,775	24,192,509
Included in profit and loss account			
Current service cost		4,918,160	3,924,430
Interest cost on defined benefit obligation		2,598,617	2,537,273
Provision for staff retirement benefits - gratuity		7,516,777	6,461,703
Included in other comprehensive income			
Actuarial loss on gratuity valuation including experience adjustments		2,080,367	510,563
Others			
Benefits paid during the year		(4,380,898)	(56,000)
Transfer to short term liability		(89,600)	-
Closing balance		36,235,421	31,108,775
Allocation of expense			
Cost of sales	21.1	6,013,422	5,169,362
Administrative expenses	22.1	1,503,355	1,292,341
		7,516,777	6,461,703

The latest actuarial valuation was carried out on 31 December 2016 using projected unit credit method.

Key actuarial assumptions	2016	2015
Discount rate used for interest cost	9.0%	10.5%
Discount rate used for year end obligation	8.0%	9.00%
Expected rate of salary growth	7.00%	8.00%
Expected mortality for active members	As per SLIC 2001-2005 setback 1 Year	As per SLIC 2001-2005 setback 1 Year
Average expected remaining working life time of employees	5 years	6 years

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumption set out above. Reasonably possible changes at the reporting date at one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined benefit obligations by the amount shown below;

	31 December 2016		31 December 2015	
	Increase	Decrease	Increase	Decrease
	Rupees			
Discount rate (1% movement)	34,404,722	38,331,745	29,422,329	33,027,063
Future salary growth (1% movement)	38,394,730	34,314,549	33,085,352	29,339,104

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Expected gratuity expense for the next financial year is Rs. 7,885,782 (2015: Rs. 7,417,022).

Risk associated with defined benefit plan

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk

The risk of the investment underperforming and being not sufficient to meet the liabilities.

9 TRADE AND OTHER PAYABLES

	Note	2016	2015
		Rupees	
Creditors	9.1	741,911,837	2,302,345,464
Accrued liabilities		35,149,708	17,598,518
Dividend payable		5,162,897	4,966,864
Retention money		-	212,271
Withholding tax payable		5,149,261	5,267,136
WPPF payable	9.2	115,616,668	103,130,758
Support services fee payable to Holding Company		221,525,725	221,525,725
Other payables		2,296,902	1,924,068
		1,126,812,998	2,656,970,804

9.1 This includes an amount of Rs. 25.92 million (2015: Rs. 1,500.49 million) payable to Sui Northern Gas Pipelines Limited (SNGPL) against gas consumption.

9.2 Workers' Profit Participation Fund

	Note	2016	2015
		Rupees	
Opening balance		103,130,758	99,363,281
Provision for the year		115,616,668	103,130,758
Payment during the year		(103,130,758)	(99,363,281)
Closing balance	9.2.1	115,616,668	103,130,758

9.2.1 This represent Workers' Profit Participation Fund (WPPF) payable at the rate of 5% of the net profit for the year and is a pass through item under the provisions of Power Purchase Agreement.

10 MARKUP ACCRUED

	Note	2016	2015
		Rupees	
Markup on long term financing - secured		154,294,722	197,103,561
Markup on short term borrowings - secured		12,893,049	14,871,310
Markup on sub-ordinated loan - unsecured		192,536,528	165,872,032
		359,724,299	377,846,903

11 SHORT TERM BORROWINGS - SECURED

Short term borrowings from banking companies			
Working capital facilities - secured	11.1	951,873,158	600,803,310
Short term loan facility - secured	11.2	265,000,000	265,000,000
Short term murabaha facility- secured	11.3	49,999,915	-
		1,266,873,073	865,803,310

11.1 The Company has obtained working capital facilities amounting to Rs. 5.29 billion (2015: Rs. 6.19 billion) from several commercial banks for meeting the working capital requirements, expiring on various dates during 2017. Effective mark-up rates during the year on these facilities ranges between 6.69% to 8.48% (31 December 2015: 7.50% to 11.63%) with no floor or cap and payable in arrears on quarterly basis. The facilities are secured by way of mortgage charge on fuel stocks inventory and energy payment receivables up to Rs. 6.70 billion (2015: Rs. 8.06 billion) and subordinated / ranking charge on all present and future assets and properties of the Company for an amount of Rs. 0.93 billion (2015: 1.71 billion).

11.2 This represents fully utilized amount of short term finance facility obtained from a commercial bank subject to a maximum limit of Rs. 265 million (2015: Rs. 265 million). This facility is expiring in 2017. Effective mark-up rates during the year on the facility ranges between 7.13% to 7.42% (31 December 2015: 7.42% to 10.69%) payable upon maturity of loan. This facility is secured by financial guarantee from Bank of Singapore with 3% margin for an amount of USD 7.25 million (2015: USD 15.09 million).

11.3 This represents utilized amount of short term murabaha facility obtained from an Islamic bank subject to a maximum limit of Rs. 500 million (2015: Rs.1,200 million). This murabaha facility is available for agreed maturity dates subject to maximum maturity for a period of 180 days from date of disbursement. Effective variable mark-up rates during the year on this facility was 6.80% (2015: 8.75% to 9.00%) and is secured by pari passu/ranking charge on fuel stock and energy purchase price receivables of the company up to Rs. 667 million (2015: Rs. 1,500 million) and subordinated / ranking charge on all present and future assets and properties of the Company up to Rs. 150 million (2015: Rs. Nil).

11.4 Letter of credit / guarantees

Facility of letter of guarantees amounting to Rs. 4.47 billion (2015: Rs. 4.47 billion) are available to the Company. These facilities are secured against the ranking charge over all present and future project assets and lien on SBLC.

12 CURRENT PORTION OF NON CURRENT LIABILITIES	2016	2015
	Rupees	
Current portion of long term financing	1,738,206,387	1,418,946,745
Current portion of sub-ordinated loan	-	656,967,830
Current portion of liabilities against assets subject to finance lease	4,053,240	3,756,802
	1,742,259,627	2,079,671,377

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies:

13.1.1 The Tax authorities, during 2014, raised sales tax demand of Rs. 1,498.51 million by partially disallowing input sales tax for the tax periods 2010 to 2013 by apportioning the total claim to energy purchase price and capacity purchase price, the later being exempt from sales tax and related input tax being inadmissible. On appeal filed by the Company, the Appellate Tribunal Inland Revenue (ATIR) remanded back the case to be decided in line with expected judgment of the Honorable High Court in parallel cases. Consequently, at present, the aforesaid tax demand is no more payable. Tax Authorities, against the decision of ATIR, had filed reference application under section 47 of the Sales Tax Act, 1990 before Honorable Islamabad High Court. However, in case the matter is eventually resolved against the Company, the tax payment will be claimable under the Power Purchase Agreement.

Based on the advice of the Company's tax consultants and decision of Appellate Tribunal Inland Revenue (ATIR), management believes that the contention of tax department even after filing of reference application does not commensurate with the related statutory provisions and the issue is likely to be decided in favor of the Company as there are meritorious grounds to defend the Company's stance in respect of the above mentioned issue.

13.1.2 SNGPL has claimed an amount of Rs. 71.33 million on account of late payment by the Company against SNGPL's invoices of Regasified Liquefied Natural Gas (RLNG). SNGPL submitted these invoices to the Company without getting determination from Oil and Gas Regulatory Authority (OGRA) . The Company has considered such SNGPL invoices to be invalid without OGRA determination. Therefore, no provision for the above mentioned amount has been made in these financial statements.

13.2 Commitments:

The Company is committed to pay monthly fee and milestone payments to its O&M contractors as per terms agreed in the Operations & Maintenance (O&M) agreement.

Notes to the Financial Statements

For the year ended 31 December 2016

14 PROPERTY, PLANT AND EQUIPMENT

	Owned assets										Leased assets	
	Freehold land	Buildings on freehold land	Plant and machinery	Office equipment	Computer and accessories	Furniture and fixtures	Motorcycle and bicycle	Vehicles	Other assets	Stores held for capitalization	Vehicles	Total
Cost	Rupees											
Balance at 01 January 2015	43,890,600	2,352,888,758	15,066,855,554	9,742,555	4,707,049	3,140,074	326,190	3,544,960	626,230	511,038,581	13,332,778	18,010,093,329
Additions	-	-	-	450,639	367,635	391,140	-	-	-	-	7,905,238	9,114,652
Disposals	-	-	-	(105,680)	(58,900)	-	-	(3,822,031)	-	-	-	(3,986,611)
Transfer	-	-	-	-	-	-	-	8,058,642	-	-	(8,058,642)	-
Effect of exchange loss (Refer note 6.2)	-	-	28,972,501	-	-	-	-	-	-	-	-	28,972,501
Balance at 31 December 2015	43,890,600	2,352,888,758	15,095,828,055	10,087,514	5,015,784	3,531,214	326,190	7,781,571	626,230	511,038,581	13,179,374	18,044,193,871
Balance at 01 January 2016	43,890,600	2,352,888,758	15,095,828,055	10,087,514	5,015,784	3,531,214	326,190	7,781,571	626,230	511,038,581	13,179,374	18,044,193,871
Additions	-	-	-	327,433	441,531	275,954	69,455	-	-	-	-	1,114,373
Disposals	-	-	-	(172,934)	(242,500)	-	-	(4,811,513)	-	-	-	(5,226,947)
Effect of exchange loss/(gain) (Refer note 6.2)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2016	43,890,600	2,352,888,758	15,095,828,055	10,242,013	5,214,815	3,807,168	395,645	2,970,058	626,230	511,038,581	13,179,374	18,040,081,297
DEPRECIATION												
Balance at 01 January 2015	-	375,740,112	2,260,768,905	5,226,527	4,400,401	2,271,857	198,656	1,610,040	548,471	-	6,041,760	2,656,806,729
Charge for the year	-	78,351,196	505,471,038	1,062,281	276,756	330,710	28,383	1,038,077	62,623	-	1,764,816	588,385,880
On disposals	-	-	-	(56,653)	(58,900)	-	-	(3,057,625)	-	-	-	(3,173,178)
Transfers	-	-	-	-	-	-	-	4,877,673	-	-	(4,877,673)	-
Balance at 31 December 2015	-	454,091,308	2,766,239,943	6,232,155	4,618,257	2,602,567	227,039	4,468,165	611,094	-	2,928,903	3,242,019,431
Balance at 01 January 2016	-	454,091,308	2,766,239,943	6,232,155	4,618,257	2,602,567	227,039	4,468,165	611,094	-	2,928,903	3,242,019,431
Charge for the year	-	78,351,192	505,866,527	977,562	243,642	215,060	38,802	431,204	15,136	-	2,108,700	588,247,825
On disposals	-	-	-	(133,486)	(226,497)	-	-	(3,338,842)	-	-	-	(3,698,825)
Balance at 31 December 2016	-	532,442,500	3,272,106,470	7,076,231	4,635,402	2,817,627	265,841	1,560,527	626,230	-	5,037,603	3,826,568,431
Carrying amounts - 31 December 2015	43,890,600	1,898,797,450	12,329,588,112	3,855,359	397,527	928,647	99,151	3,313,406	15,136	511,038,581	10,250,471	14,802,174,440
Carrying amounts - 31 December 2016	43,890,600	1,820,446,258	11,823,721,585	3,165,782	579,413	989,541	129,804	1,409,531	-	511,038,581	8,141,771	14,213,512,866
Rates of depreciation per annum (%)	-	3.33%	3.33% to 3.8%	10 % to 33.33%	33.33%	10%	20%	20%	10%	-	20%	

14.1 The depreciation charge for the year has been allocated as follows:	Note	2016	2015
		Rupees	
Cost of sales	21	584,217,719	583,822,234
Administrative expenses	22	4,030,106	4,563,646
		588,247,825	588,385,880

14.2 Detail of property, plant and equipment disposed during the year

Asset description	Rupees			Purchaser	Mode of disposal
	Cost	Carrying amount	Sale proceeds		
Vehicle	1,017,934	393,602	725,000	Employee	As per company policy
Vehicle	899,280	395,404	295,802	Employee	As per company policy
Vehicle	929,192	185,838	650,000	Employee	Auction
Vehicle	1,965,107	497,827	1,500,000	-	Insurance Claim
Computers & Accessories	242,500	16,003	133,298	-	Insurance Claim
Office equipment	172,934	39,448	152,680	-	Insurance Claim
31 Dec 2016	5,226,947	1,528,122	3,456,780		
31 Dec 2015	3,986,611	813,433	1,372,249		

15 TRADE DEBTS - secured, considered good	Note	2016	2015
		Rupees	
National Transmission and Dispatch Company (NTDC)	15.1	4,377,319,135	5,075,065,458

15.1 These are secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA). These are subject to mark-up on delayed payments under section 9.6 (d) of PPA at the rate of KIBOR + 4.5% per annum.

15.2 Included in trade debts is an amount of Rs. 477.56 million (2015: Rs. 477.56 million) relating to capacity purchase price not acknowledged by National Transmission and Dispatch Company (NTDC) as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not buy fuel to generate electricity due to non-payment by NTDC, therefore, management believes that Company cannot be penalized in the form of payment deductions due to NTDC's default of making timely payments under the Power Purchase Agreement. The Company along with other IPPs had agreed with NTDC to resolve the dispute through dispute resolution mechanism (appointment of expert) under the PPA. In his decision, the expert determined that the amount mentioned above is payable to the Company and accordingly the Company has claimed the said amount from NTDC. Since NTDC did not confirm to the requirements of PPA relating to expert decision within 30 days, the IPPs went to London Court of International Arbitration (LCIA) to request the arbitrator to make the judgment of the expert as final and binding.

Subsequently, The Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') has filed a case in the court of Senior Civil Judge, Lahore with a mala fide intention to try to stop the arbitrator from making such award. The legal advisers of the Company and of others IPPs are dealing with this matter in the Civil Court and, a response has already been submitted. Initially, NTDC also filed a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings which the Arbitrator refused to accept. The LCIA will communicate the process going forward.

15.3 During the year, an amount of Rs. 239.68 million (2015: Rs. 239.68 million) relating to capacity purchase price not acknowledged by NTDC was adjusted by the Company against payable to SNGPL. According to the management, the sole reason for this was non-availability of gas by SNGPL. The Company took up legal proceedings against both, NTDC and SNGPL, to keep its rights and claims intact.

In the case against NTDC, the expert determined that NTDC is not obliged to pay such capacity amounts to the Company, whereas in the case against SNGPL in the London Court of International Arbitration, the arbitrator has given a binding award in favour of the Company for the whole amount.

SNGPL disputed the Award in the Lahore High Court but Lahore High Court dismissed this petition of SNGPL. The Company has during the year filed a petition in the Civil Court Lahore to obtain Decree in lieu of the arbitration award and has also adjusted an amount of Rs. 270.66 million from payable to SNGPL as such amount was allowed by Arbitrator in its award. At the same time, the Company has kept Arbitration against NTDC alive in case it has to revert back to NTDC (which now does not look like a possibility since the amount has already been awarded against SNGPL).

15.4 For aging of receivable from NTDC at the reporting date, refer to note 26.4.

16 ADVANCES - considered good	Note	2016	2015
		Rupees	
Advances to supplier		1,154,615	3,542,327
Advances to employees	16.1	1,165,419	1,557,502
		2,320,034	5,099,829

16.1 Advances to employees includes an amount of Rs. 0.63 million (2015: Rs. 1.50 million) receivable from executives. These are secured and considered good. The maximum amount due from executives at the end of any month during the year was Rs. 1.61 million (2015: Rs. 1.5 million).

17 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS	2016	2015
	Rupees	
Prepayments	46,136,940	47,446,746
Security deposit	1,038,000	2,248,000
	47,174,940	49,694,746

18 OTHER RECEIVABLES		
Sales tax receivable - net	18,400,940	11,686,238
WPPF receivable	276,112,309	267,890,117
Other receivables	1,569,666	2,218,276
	296,082,915	281,794,631

19 BANK BALANCES	Note	2016	2015
		Rupees	
Cash at bank:			
Current accounts			
Local currency		289,318	286,753
Foreign currency	19.2	345,309	305,513
	19.1	634,627	592,266
Deposit accounts			
Local currency		1,923,446	3,968,872
Foreign currency	19.2	204,992	204,323
	19.1	2,128,438	4,173,195
Term Deposit Receipt	19.3	150,000,000	-
		152,763,065	4,765,461

19.1 These carry markup ranging from 3.84% to 3.99% (2015: 4.50% to 4.62%) per annum for PKR denominated balances while 0.15% (2015: 0.10%) per annum for USD denominated balances.

19.2 This represents an amount of USD 5,251 (2015: USD 4,874) in US Dollar deposit and current accounts.

19.3 This carry markup of 7% (2015: Nil) per annum and is maturing on 06 January 2017

20 TURNOVER - NET	Note	2016	2015
		Rupees	
Gross Energy Purchase Price (EPP)		9,665,682,643	13,627,436,400
Less: Sales tax		(1,906,424,785)	(2,910,407,672)
		7,759,257,858	10,717,028,728
Capacity Purchase Price (CPP)		4,186,898,278	4,264,218,648
		11,946,156,136	14,981,247,376

21 COST OF SALES

Raw material consumed		7,238,427,237	10,079,727,213
Operation and maintenance		729,604,148	797,005,746
Salaries and other benefits	21.1	43,836,416	42,798,122
Electricity charges		26,622,616	40,558,406
Insurance		133,230,319	145,007,799
Depreciation	14.1	584,217,719	583,822,234
Office expenses		955,364	1,240,268
Traveling, conveyance and entertainment		727,560	713,864
Repair and maintenance		150,004	346,390
Communication		114,045	147,041
Others		163,216	207,499
		8,758,048,644	11,691,574,582

21.1 These include Rs. 6,013,422 (2015: Rs. 5,169,362) charged in respect of staff retirement benefits - gratuity.

22 ADMINISTRATIVE EXPENSES	Note	2016	2015
		Rupees	
Salaries and other benefits	22.1	33,522,637	26,749,816
Traveling and conveyance		2,825,149	2,389,266
Rent, rates and taxes	22.2	9,917,552	8,014,333
Security services		10,654,373	9,537,157
Office expenses		4,823,015	4,993,708
Fees and subscriptions		19,503,751	15,570,116
Legal and professional		26,043,854	4,836,989
Consultancy		6,671,123	13,392,420
Repair and maintenance		4,181,072	5,639,368
Utilities		2,192,212	2,853,360
Insurance		1,869,613	2,817,522
Depreciation	14.1	4,030,106	4,563,646
Amortization		-	213,252
Auditors' remuneration	22.3	1,235,200	1,105,100
Advertisements		366,733	182,108
		127,836,390	102,858,161

22.1 These include Rs. 1,503,355 (2015: Rs. 1,292,341) charged in respect of staff retirement benefits - gratuity.

22.2 This includes Ijarah payments of Rs. 1,289,885 (2015: Rs. Nil) and vehicles registration charges under an Ijarah (lease) agreement. As required under IFAS 2 " IJARAH" (notified through SRO 43(1) / 2007 by Securities & Exchange Commission of Pakistan) ijarah payments under an Ijarah (lease) agreement are recognized as an expense in the profit and loss account on straight line basis over the term of ijarah. The amount of future ijarah payments and the periods in which these will be due are as follows:

	2016	2015
	Rupees	
Within one year	2,475,610	-
After one year but not more than five years	3,294,862	-
	5,770,472	-

22.3 Auditors' remuneration

Annual audit fee	607,500	540,000
Half yearly review fee	337,500	300,000
Out of pocket expenses	115,200	90,100
Certifications	175,000	175,000
	1,235,200	1,105,100

	Note	2016	2015
		Rupees	
23 FINANCE COST			
Markup on short term borrowings		32,677,385	163,532,556
Markup on long term financing		676,710,700	932,723,476
Markup on sub-ordinated loan		26,561,436	23,322,105
Guarantee commission and arrangement fee		22,571,272	17,843,494
Markup on liabilities against assets subject to finance lease		867,671	713,558
Bank charges		408,294	358,136
Exchange loss - net		877,300	13,506,528
		760,674,058	1,151,999,853
24 OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		1,152,093	10,391,185
Return on investments		9,453,831	16,599,951
Income from non financial assets			
Insurance claim	24.1	1,232,700	-
Gain on disposal of property, plant and equipment		695,959	558,816
Scrap sales		201,728	250,420
		12,736,311	27,800,372

24.1 This represents net amount of insurance claim received against assets having written down value of Rs. 0.55 million.

	2016	2015
	Rupees	
25 EARNINGS PER SHARE		
Profit for the year (Rupees)	2,312,333,355	2,062,615,152
Weighted average number of shares (Numbers)	386,471,779	386,471,779
Earnings per share - basic (Rupees)	5.98	5.34

There is no dilution effect on the basic earnings per share of the Company.

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Financial Statements

For the year ended 31 December 2016

26.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		Carrying Amount				Fair value			
On-balance sheet financial instruments	Note	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2016				Rupees					
Financial assets measured at fair value		-	-	-	-	-	-	-	-
Financial assets not measured at fair value	26.2								
Long term deposits		-	4,674,560	-	4,674,560	-	-	-	-
Advances to employees		-	1,165,419	-	1,165,419	-	-	-	-
Trade debts		-	4,377,319,135	-	4,377,319,135	-	-	-	-
Security deposits		-	1,038,000	-	1,038,000	-	-	-	-
Other receivables		-	1,569,666	-	1,569,666	-	-	-	-
Bank balances		-	152,763,065	-	152,763,065	-	-	-	-
Total		-	4,538,529,845	-	4,538,529,845	-	-	-	-
Financial liabilities not measured at fair value									
Long term financing		-	-	6,499,483,656	6,499,483,656	-	-	-	-
Sub-ordinated loan		-	-	722,932,879	722,932,879	-	-	-	-
Liabilities against assets subject to finance lease		-	-	6,068,880	6,068,880	-	-	-	-
Trade and other payables	26.2 & 26.3	-	-	1,006,047,069	1,006,047,069	-	-	-	-
Markup accrued	26.2	-	-	359,724,299	359,724,299	-	-	-	-
Short term borrowings	26.2	-	-	1,266,873,073	1,266,873,073	-	-	-	-
Total		-	-	9,861,129,856	9,861,129,856	-	-	-	-
On-balance sheet financial instruments									
31 December 2015									
Financial assets measured at fair value		-	-	-	-	-	-	-	-
Financial assets not measured at fair value	26.2								
Long term deposits		-	1,281,200	-	1,281,200	-	-	-	-
Advances to employees		-	1,557,502	-	1,557,502	-	-	-	-
Trade debts		-	5,075,065,458	-	5,075,065,458	-	-	-	-
Security deposits		-	2,248,000	-	2,248,000	-	-	-	-
Other receivables		-	2,218,276	-	2,218,276	-	-	-	-
Bank balances		-	4,765,461	-	4,765,461	-	-	-	-
Total		-	5,087,135,897	-	5,087,135,897	-	-	-	-
Financial liabilities not measured at fair value									
Long term financing		-	-	7,823,222,915	7,823,222,915	-	-	-	-
Sub-ordinated loan		-	-	722,932,879	722,932,879	-	-	-	-
Liabilities against assets subject to finance lease		-	-	9,877,980	9,877,980	-	-	-	-
Trade and other payables	26.2 & 26.3	-	-	2,548,572,910	2,548,572,910	-	-	-	-
Markup accrued	26.2	-	-	377,846,903	377,846,903	-	-	-	-
Short term borrowings	26.2	-	-	865,803,310	865,803,310	-	-	-	-
Total		-	-	12,348,256,897	12,348,256,897	-	-	-	-

26.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

26.3 This excludes withholding tax payable and payable against WPPF.

The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

26.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The primary activity of the Company is power generation and sale of total output to NTDC. The Company is exposed to credit risk from its operations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2016	2015
		Rupees	
Long term deposits		4,674,560	1,281,200
Trade debts	15	4,377,319,135	5,075,065,458
Advances to employees	16	1,165,419	1,557,502
Security deposits	17	1,038,000	2,248,000
Other receivables	18	1,569,666	3,775,778
Bank balances	19	152,763,065	4,765,461
		4,538,529,845	5,088,693,399

Credit risk is minimum as the bank accounts are maintained with reputable banks with good credit ratings. Further, as disclosed in note 15.1 that the trade debts are secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA).

Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR - VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

Trade debts	2016	2015
	Rupees	
Counterparties without external credit ratings	4,377,319,135	5,075,065,458

Impairment losses

The aging of trade debts at the reporting date was:

	31 December 2016		31 December 2015	
	Gross	Impairment	Gross	Impairment
	Rupees			
Not past due	1,746,624,293	-	2,293,048,814	-
Past due 0 - 60 days	1,045,044,440	-	935,095,655	-
Past due 61 - 120 days	66,150,622	-	119,112,269	-
Past due 121 - 180 days	59,103,649	-	51,543,787	-
181 days and above	1,460,396,131	-	1,676,264,933	-
	4,377,319,135	-	5,075,065,458	-

Security deposits	2016	2015
	Rupees	
Counterparties without external credit ratings	1,038,000	2,248,000
Other receivables		
Counterparties without external credit ratings	1,569,666	3,775,778
Long term deposits		
Counterparties with external credit ratings - A1+	4,674,560	1,281,200
Advances to employees		
Counterparties without external credit ratings	1,165,419	1,557,502

Cash and cash equivalents

The Company held cash at bank balance of Rs.152,763,065 as at 31 December 2016 (2015: Rs. 4,765,461) Cash at bank balances are held with banks and financial institution counter parties, which are rated A1+ based on PACRA and JCR-VIS rating.

26.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

There were no defaults on loans payable during the year.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
	Rupees				
2016					
Liabilities against assets subject to finance lease	6,068,880	6,360,940	4,312,236	2,048,704	-
Long term financing	6,499,483,656	7,601,381,393	2,267,452,990	5,333,928,403	-
Sub-ordinated loan	722,932,879	863,830,780	21,676,600	457,204,757	384,949,423
Trade and other payables	1,006,047,069	1,006,047,069	1,006,047,069	-	-
Mark-up accrued	359,724,299	359,724,299	359,724,299	-	-
Short term borrowing	1,266,873,073	1,266,873,073	1,266,873,073	-	-
	9,861,129,856	11,104,217,554	4,926,086,267	5,793,181,864	384,949,423

	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
	Rupees				
2015					
Liabilities against assets subject to finance lease	9,877,980	10,890,885	4,440,772	6,450,113	-
Long term financing	7,823,222,915	9,686,358,913	2,122,190,390	7,564,168,523	-
Sub-ordinated loan	722,932,879	801,609,331	734,808,553	66,800,778	-
Trade and other payables	2,548,572,910	2,548,572,910	2,548,572,910	-	-
Mark-up accrued	377,846,903	377,846,903	377,846,903	-	-
Short term borrowing	865,803,310	865,803,310	865,803,310	-	-
	12,348,256,897	14,291,082,252	6,653,662,838	7,637,419,414	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

The contractual cash flows relating to long term borrowings and liabilities against assets subject to finance lease have been determined on the basis of expected markup rates. The markup rates have been disclosed in notes 5, 6 and 7 to these financial statements.

26.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rates only.

Foreign currency risk

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items
- Transactional exposure in respect of non functional currency expenditure and revenues

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. These currency risks are managed as part of overall risk management strategy. The Company does not enter into forward exchange contracts.

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	Rupees		USD	
	2016	2015	2016	2015
Subordinated loan	722,932,879	722,932,879	6,898,215	6,898,215
Trade and other payables	528,733,238	389,822,475	5,045,164	3,719,680
Bank balances	550,301	509,836	5,251	4,874
	1,252,216,418	1,113,265,190	11,948,630	10,622,769

The following significant exchange rates have been applied:

	Average Rate		Balance sheet date rate	
	2016	2015	2016	2015
US Dollars	104.7	102.6	104.8	104.8

Foreign Currency Sensitivity Analysis

A 5% strengthening of the functional currency against USD at 31 December 2016 would have decreased profit and loss by Rs. 26.40 million (2015: Rs. 19.47 million). A 5 % weakening of the functional currency against USD at 31 December 2016 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rate. The Company has long term PKR and USD based loans and short term running finance arrangement at variable rates. The local currency loans have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) and London Inter Bank Offer Rate (LIBOR). Any increase / decrease in KIBOR is adjustable and approved by NEPRA.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2016	2015	2016	2015
	Interest Rate		Rupees	
Fixed rate instruments				
Financial assets	3.67%	4.56%	152,128,438	4,173,195
Variable rate instruments				
Financial liabilities	6.49%	9.84%	(8,495,358,488)	(9,421,837,084)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not effect profit or loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and loss by Rs. 84.95 million (2015: Rs. 94.21 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

Other market price risk

The primary goal of the Company's investment strategy is to maximize investment returns on surplus funds. The Company adopts a policy of ensuring to minimize its price risk by investing in securities having sound market performance. Certain investments are designated as held for trading because their performance is actively monitored and these are managed on a fair value basis. Equity price risk arises from investments at fair value through profit and loss.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non - derivative financial assets

The fair value of non - derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

26.7 Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure which comprises of capital and reserves by monitoring the return on net assets and makes adjustments, if required, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves or / and issue new shares. There was no change in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration including benefits applicable to the chief executive officer, directors and executives of the Company are given below:

	2016	2015
	Rupees	
Managerial remuneration	47,602,274	39,742,850
Staff retirement benefits	3,994,835	3,508,880
Bonus	7,127,170	6,252,863
	58,724,279	49,504,593
Number of Persons	13	8

27.1 In addition to the above, executives are provided with the company maintained vehicles and health insurance coverage as per the Company's policy. An executive has also been provided with a personal loan of Rs. Nil (2015: Rs. 1.50 million) secured against gratuity balance.

27.2 No remuneration has been paid to chief executive officer (CEO) and directors of the Company.

28 RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Saif Holdings Limited ("Holding Company"), therefore the Holding Company and all associated undertakings of the Holding Company are the related parties of the Company. Other related parties comprise of directors, key management personnel, entities over which the directors are able to exercise significant influence and major shareholders. Balances with related parties are disclosed in note 9 to the financial statements. Transactions with related parties other than those disclosed in note 7.1 to these financial statements are as follows:

	Note	2016	2015
		Rupees	
Transactions with Holding Company			
Rent		5,398,176	4,928,220
Dividend		493,181,547	591,817,857
Expenses incurred on behalf of the company		-	778,363
Transactions with associated undertakings due to common directorship			
Expenses incurred on behalf of the company		177,084	398,273
Dividend		250	300
Transaction with key management personnel			
Dividend		50,006	60,007
Remuneration to key management personnel	27	58,724,279	49,504,593

29 APPLICATION OF IFRIC INTERPRETATION - 4 (IFRIC-4)

"Determining whether an arrangement contain a lease"

International Accounting Standards Board (IASB) has issued IFRIC-4 "Determining whether an Arrangement contains a Lease", which is effective for financial periods beginning on or after 01 January 2006. According to the said interpretation an arrangement conveys the right to use the asset, if the arrangement conveys to the purchaser (lessee) the right to control the use of the underlying asset. The right to control the use of the underlying asset is conveyed when the purchaser has the ability or right to operate the asset or direct others to operate the asset in a manner it determines while obtaining or controlling more than an insignificant amount of the output or other utility of the asset. Such arrangements are to be accounted for as a lease in accordance with the requirements of IAS 17- "Leases".

The Company's plant's control due to purchase of total output by WAPDA appears to fall under the scope of IFRIC-4. However, Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O No. 24 (I)/2012 has exempted application of IFRIC-4 for all companies. However, impact of IFRIC-4 is mandatory to be disclosed in the financial statements as per requirements of IAS-8.

	2016	2015
	Rupees	
Decrease in unappropriated profit at 01 January	(846,723,303)	(280,682,534)
Decrease in profit for the year	(1,151,893,379)	(566,040,769)
Decrease in unappropriated profit at 31 December	(1,998,616,682)	(846,723,303)

30 NUMBER OF EMPLOYEES

Employees on year end (Number)	39	40
Average employees during the year (Number)	39	40

31 CAPACITY AND PRODUCTION

Installed capacity based on 8,784 hours (2015: 8,760) – Megawatt hours	1,791,116	1,787,223
Actual energy delivered – Megawatt hours	1,053,004	908,737

Output produced by the plant is dependent on the load demanded by NTDC.

32 NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors proposed final dividend for the year ended 31 December 2016 at the rate of Rs. 1.90 (2015: Rs. 0.75) per share in their meeting held on 24 March 2017.

33 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors in their meeting held on 24 March 2017.

34 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Pattern of Shareholding

As at 31 December 2016

NO. OF SHAREHOLDERS	SHAREHOLDING From	To	SHARES HELD	PERCENTAGE
79	1	100	1,907	0.0005
3051	101	500	1,523,294	0.3942
925	501	1,000	922,278	0.2386
561	1,001	5,000	1,432,762	0.3707
107	5,001	10,000	879,579	0.2276
41	10,001	15,000	526,088	0.1361
18	15,001	20,000	327,500	0.0847
19	20,001	25,000	448,500	0.116
11	25,001	30,000	317,500	0.0822
9	30,001	35,000	295,000	0.0763
10	35,001	40,000	385,000	0.0996
5	40,001	45,000	218,000	0.0564
12	45,001	50,000	587,000	0.1519
4	50,001	55,000	217,500	0.0563
4	55,001	60,000	231,500	0.0599
1	60,001	65,000	62,500	0.0162
4	65,001	70,000	277,000	0.0717
1	70,001	75,000	75,000	0.0194
1	75,001	80,000	76,000	0.0197
1	80,001	85,000	83,500	0.0216
12	95,001	100,000	1,198,000	0.31
2	105,001	110,000	213,000	0.0551
1	110,001	115,000	115,000	0.0298
1	115,001	120,000	120,000	0.031
1	125,001	130,000	129,500	0.0335
1	135,001	140,000	140,000	0.0362
2	145,001	150,000	299,000	0.0774
1	195,001	200,000	200,000	0.0518
1	205,001	210,000	210,000	0.0543
1	220,001	225,000	224,000	0.058
1	245,001	250,000	250,000	0.0647
1	250,001	255,000	251,500	0.0651
3	255,001	260,000	773,000	0.2
1	260,001	265,000	262,000	0.0678
1	270,001	275,000	275,000	0.0712
1	305,001	310,000	310,000	0.0802
1	380,001	385,000	382,500	0.099
1	390,001	395,000	392,500	0.1016
1	395,001	400,000	400,000	0.1035
1	410,001	415,000	412,500	0.1067
1	440,001	445,000	441,500	0.1142
1	500,001	505,000	503,500	0.1303
1	795,001	800,000	800,000	0.207
1	955,001	960,000	957,500	0.2478
1	960,001	965,000	963,000	0.2492
1	1,995,001	2,000,000	2,000,000	0.5175
1	2,105,001	2,110,000	2,108,500	0.5456
1	4,335,001	4,340,000	4,340,000	1.123

Pattern of Shareholding

As at 31 December 2016

NO. OF SHAREHOLDERS	SHAREHOLDING From	To	SHARES HELD	PERCENTAGE
1	4,905,001	4,910,000	4,906,382	1.2695
1	10,135,001	10,140,000	10,136,000	2.6227
1	10,320,001	10,325,000	10,324,500	2.6715
1	13,885,001	13,890,000	13,889,000	3.5938
1	15,345,001	15,350,000	15,350,000	3.9718
1	27,765,001	27,770,000	27,768,354	7.1851
1	29,280,001	29,285,000	29,280,604	7.5764
1	49,995,001	50,000,000	50,000,000	12.9376
1	197,255,001	197,260,000	197,258,031	51.0407
TOTAL 4956			386,471,779	100

CATEGORY OF SHAREHOLDER	NO OF FOLIO	SHARES	PERCENTAGE
SPONSORS, DIRECTORS, CEO AND CHILDREN	7	20,002	0.0052
ASSOCIATED COMPANIES	3	197,272,719	51.0445
BANKS, DFI AND NBFI	7	67,533,354	17.4743
INSURANCE COMPANIES	5	6,244,882	1.6159
MODARABAS AND MUTUTAL FUNDS	4	1,383,500	0.3580
GENERAL PUBLIC (LOCAL)	4,799	16,244,395	4.2033
GENERAL PUBLIC (FOREIGN)	61	257,320	0.0666
OTHERS	30	97,515,607	25.2322
Company Total	4,916	386,471,779	100.0000

SPONSORS, DIRECTORS CEO AND CHILDREN	SHARES	PERCENTAGE
JAVED SAIFULLAH KHAN	5,000	0.0013
ANWAR SAIFULLAH KHAN	5,000	0.0013
OSMAN SAIFULLAH KHAN	5,000	0.0013
JEHANGIR SAIFULLAH KHAN	4,000	0.0010
OMAR SAIFULLAH KHAN	1,000	0.0003
HOOR YOUSAFZAI	1	-
SALIM SAIFULLAH KHAN	1	-
AOOCIATED COMPANIES		
SAIF HOLDINGS LIMITED	197,272,619	51.0445
SAIF TEXTILE MILLS LIMITED	100	-
BANKS, FI AND NBFI		
SAMBA BANK LIMITED	18,000	0.0047
ALLIED BANK LIMITED	13,889,000	3.5938
HABIB BANK LIMITED-TREASURY DIVISION	27,768,354	7.1851
BANK AL HABIB LIMITED	150,000	0.0388
UNITED BANK LIMITED - TRADING PORTFOLIO	10,324,500	2.6715
MCB BANK LIMITED - TREASURY	15,350,000	3.9718
PAIR INVESTMENT COMPANY LIMITED	33,500	0.0087
INSURANCE COMPANIES		
UBL INSURERS LIMITED	503,500	0.1303
EFU GENERAL INSURANCE LIMITED	800,000	0.2070
EFU LIFE ASSURANCE LTD	10,000	0.0026
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	25,000	0.0065
ADAMJEE INSURANCE COMPANY LIMITED	4,906,382	1.2695
MODARABAS AND MUTUAL FUNDS		
CDC - TRUSTEE AKD INDEX TRACKER FUND	39,500	0.0102
CDC - TRUSTEE NAFA STOCK FUND	957,500	0.2478
CDC - TRUSTEE NAFA MULTI ASSET FUND	257,000	0.0665
CDC - TRUSTEE NAFA ASSET ALLOCATION FUND	129,500	0.0335
GENERAL PUBLIC (LOCAL)		
GENERAL PUBLIC (LOCAL)	16,244,395	4.2033
GENERAL PUBLIC (FOREIGN)	257,320	0.0666
OTHERS	97,515,607	25.2324
	386,471,779	100

انشورنس کمپنیاں		
یو بی ایل انشورنس لمیٹڈ	503500	0.1303
ای ایف یو جنرل انشورنس لمیٹڈ	800000	0.2070
ای ایف یو لائف اشورنس کمپنی لمیٹڈ	10000	0.0026
آدم جی لائف اشورنس کمپنی لمیٹڈ	25000	0.0065
آدم جی انشورنس کمپنی لمیٹڈ	4906382	1.2695

مضاربہ اور مشترکہ فنڈز		
سی ڈی سی-ٹریسٹی اے کے ڈی انڈکس ٹریکر فنڈ	39500	0.0102
سی ڈی سی-ٹریسٹی این اے ایف اے اسٹاک فنڈ	957500	0.2478
سی ڈی سی-ٹریسٹی این اے ایف ایم اے ملٹی اسسٹ فنڈ	257000	0.0665
سی ڈی سی-ٹریسٹی این اے ایف ایم اے اسسٹ ایلوکیشن فنڈ	129500	0.0335

عام عوام		
عام عوام (مقامی)	16244395	4.2033
عام عوام (غیر ملکی)	257320	0.0666
دیگر	97515607	25.2324
	386471779	100

شیئر ہولڈنگ کا طریقہ

شیئر ہولڈ کی اقسام	فولیو کی تعداد	حصص	فیصد
سپانسرز، ڈائریکٹرز، سی ای او اور بچے	7	20002	0.0052
وابستہ کمپنیاں	3	197272719	51.0445
بینک، ڈی ایف آئی اور این بی ایف آئی	7	67533354	17.4743
انشورنس کمپنیاں	5	6244882	1.6159
مضاربہ اور مشترکہ فنڈز	4	1383500	0.3580
عام عوام (مقامی)	4799	16244395	4.2033
عام عوام (غیر ملکی)	61	257320	0.0666
دیگر	30	97515607	25.2322
کمپنی (کل)	4916	386471779	100.0000

سپانسرز، ڈائریکٹرز، سی ای او اور بچے	حصص	فیصد
محترم جاوید سیف اللہ خان	**5000**	0.0013
محترم انور سیف اللہ خان	**5000**	0.0013
محترم عثمان سیف اللہ خان	**5000**	0.0013
محترم جہانگیر سیف اللہ خان	**4000**	0.0010
محترم عمر سیف اللہ خان	**1000**	0.0003
محترمہ حور یوسف ذئی	**1**	-
محترم سلیم سیف اللہ خان	**1**	-

وابستہ کمپنیاں		
سیف ہولڈنگ لمیٹڈ	197272619	51.0445
سیف ٹیکسٹائل ملز لمیٹڈ	100	-
بینک، ڈی ایف آئی اور این بی ایف آئی		
سامبا بینک لمیٹڈ	18000	0.0047
الائیڈ بینک لمیٹڈ	13889000	3.5938
حبیب بینک لمیٹڈ (خزانہ ڈویژن)	27768354	7.1851
بینک الحبیب لمیٹڈ	150000	0.0388
یونائیٹڈ بینک لمیٹڈ (ٹریڈنگ پروٹوفولیو)	10324500	2.6715
ایم سی بی بینک لمیٹڈ (خزانہ)	15350000	3.9718
پیئر انویسٹمنٹ کمپنی لمیٹڈ	33500	0.0087

شیئر ہولڈرز کی تعداد	منجانب	تا	حامل شیئرز	%
1	220001	225000	224000	0.058
1	245001	250000	250000	0.0647
1	250001	255000	251500	0.0651
3	255001	260000	773000	0.2
1	260001	265000	262000	0.0678
1	270001	275000	275000	0.0712
1	305001	310000	310000	0.0802
1	380001	385000	382500	0.099
1	390001	395000	392500	0.1016
1	395001	400000	400000	0.1035
1	410001	415000	412500	0.1067
1	440001	445000	441500	0.1142
1	500001	505000	503500	0.1303
1	795001	800000	800000	0.207
1	955001	960000	957500	0.2478
1	960001	965000	963000	0.2492
1	19950001	2000000	2000000	0.5175
1	2105001	2110000	2108500	0.5456
1	4335001	4340000	4340000	1.123
1	4905001	4910000	4906382	1.2695
1	10135001	10140000	10136000	2.6227
1	10320001	10325000	10324500	2.6715
1	13885001	13980000	13889000	3.5938
1	15345000	15350000	15350000	3.9718
1	27765001	27770000	27768354	7.1851
1	29280001	29285000	29280604	7.5764
1	49995001	50000000	50000000	12.9376
1	197255001	197260000	197258031	51.0407
کل 4956			386471779	100

شیئر ہولڈنگ کا طریقہ

شیئر ہولڈرز کی تعداد	منجانب	تا	حامل شیئرز	%
79	1	100	1907	0.0005
3051	101	500	1523294	0.3942
925	501	1000	922278	0.2386
561	1001	5000	1432762	0.3707
107	5001	10000	879579	0.2276
41	10001	15000	526088	0.1361
18	15001	20000	327500	0.0847
19	20001	25000	448500	0.116
11	25001	30000	317500	0.0822
9	30001	35000	295000	0.0763
10	35001	40000	385000	0.0996
5	400001	45000	218000	0.0564
12	45001	50000	578000	0.1519
4	50001	55000	217500	0.0563
4	55001	60000	231500	0.599
1	60001	65000	62500	0.0162
4	65001	70000	277000	0.0717
1	70001	75000	75000	0.0194
1	75001	80000	76000	0.0197
1	80001	85000	83500	0.0216
12	95001	100000	1198000	0.31
2	1050001	110000	213000	0.0551
1	1100001	115000	115000	0.0298
1	115001	120000	120000	0.031
1	125001	130000	129500	0.0335
1	135001	140000	140000	0.0362
2	145001	150001	299000	0.0774
1	195001	200000	200000	0.0518
1	205001	210000	210000	0.0543

Notice of 13th Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting of Shareholder of Saif Power Limited ("the Company") will be held on April 28, 2017, Friday at 11:00 A.M, at 4th floor Kulsum Plaza, Blue Area, Islamabad, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of 12th AGM held on April 29, 2016.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2016 together with Directors' and Auditors' report thereon.
3. To consider and approve the final dividend Rs.1.9 per share i.e. 19% in addition to interim dividend of Rs. 1.75 per share i.e. 17.5 %, making total dividend Rs. 3.65 per share i.e. 36.5%, Rs. 1.75 already paid, as recommended by the directors.
4. To appoint Auditors for the year ending December 2017 and fix their remuneration.
5. To transact any other business with the permission of Chair.

By Order Of The Board

Islamabad
April 07, 2017

Waseemullah
Company Secretary

Notes:

i. Share Transfer Book of the Company will remain closed from April 22, 2017 to April 28, 2017 (Both days inclusive). Transfer received in order at the share Registrar's office by the close of business on April 21, 2017 will be treated in time for the purpose of payment of final dividend.

ii. A member entitled to attend and vote at the Meeting may appoint another member as his /her proxy to attend and vote on his /her behalf. The instrument appointing the proxy duly completed must be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.

iii. CDC individual Account holders or Sub-account holders are required to bring with them their original Computerized National Identity Card (CNIC) / Original Passport along with participant's ID number and their account number in order to facilitate identification.

iv. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signature of nominees shall be produced (unless provided earlier) at the time of meeting.

v. Members are requested to immediately notify the change in address, if any.

SPECIAL NOTES TO SHAREHOLDERS:

vi. Transmission of Annual Financial Statements through Email (optional):
Pursuant to Securities and Exchange Commission of Pakistan (SECP) SRO 787 (1)/2014 dated September 8, 2014 the Company can circulate Annual Balance Sheet and Profit and Loss Account, Auditors' report and Directors' report etc. (Audited Financial Statements) along with notice of Annual General Meeting to its members through-mail. Those Shareholders who wish to receive the Annual Report through e-mail are requested to provide a duly completed annexed

consent from to Company's Share Registrar, M/s THK Associates (Pvt) Ltd. 1st Floor, 40-C, Block-6, P.E.C.H.S Karachi. Form is also available at Company's website http://www.saifgroup.com/power.php

vii. Submission of Copies of CINC (Mandatory):

The Securities & Exchange Commission of Pakistan (SECP) vide its SRO 779 (I)/2011 dated August 18, 2011, SRO 831 (I)/2012 dates July 5, 2012 and SRO 19 (I)/2014 dated January 10, 2014 has made it mandatory that the dividend warrants should bear the Computerized National Identity Card Number (CNIC) of the registered member or authorized person, except in the case of minor(s) and corporate members. Therefore individual members or their authorized representatives who have not yet provided an attested copy of their valid CNICs along with folio numbers to the Company's Shares Registrar are requested to provide the same at their earliest to avoid any inconvenience. The corporate entities are requested to provide their National Tax Number (NTN).

viii. Dividend Mandate Option (E-Dividend)

This is to inform that under Section 250(1) of the Companies Ordinance, 1984, a shareholder may, if he/she so desires, direct a company to pay dividend directly into his/her bank account. In pursuance of the directions given by the SECP vide Circular No. 18 of 2012 dated June 05, 2012, and SECP letter No. 8(4) SM/CDC 2008 dated April 05, 2013, the shareholders are encouraged to provide dividend bank mandate for payment of cash dividend directly in to their bank accounts.

Shareholders who hold shares with Participant / Central Depository Company of Pakistan Limited (CDC) may approach to submit the detail in prescribed Dividend Mandate Form, to the concerned Stock Broker / CDC.

Dividend Mandate Form is appended below for the shareholder:

Dividend Mandate Form

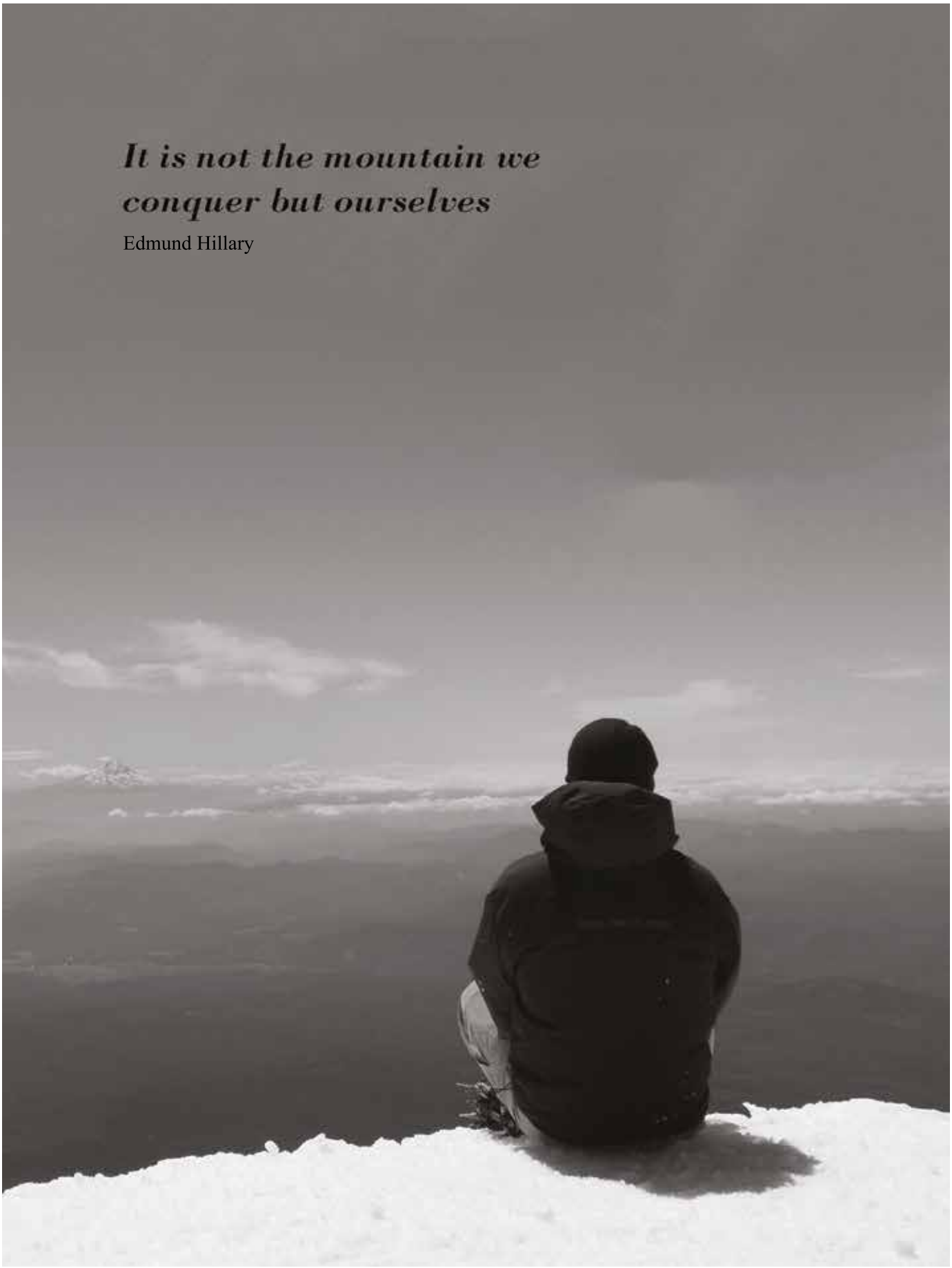
I, _____ S/o., D/o., W/o., _____ hereby authorize the Company to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Name of the Shareholder Folio No./CDC Participation ID and Account No./Sub-Account No.
(ii) CNIC No./NTN (attested copy of valid CNIC attached) Passport No. (in case of foreign national – attested copy attached)
(iii) Contact Numbers Landline Number & Cell Number:
(iv) Title of Bank Account Bank Account Number
(v) Bank's Name Branch Name & Code No.

It is stated that the above particulars given by me are correct and I shall keep the Company informed in case of any changes in the said particulars in future.

_____

Signature of the Shareholders


It is not the mountain we conquer but ourselves
Edmund Hillary

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نیابتی (پراکسی) فارم

میں/ہم.....

منجانب.....سی ڈی سی اے/سی نمبر/فولیونمبر:.....

سیف پاورلمیٹڈ (بعدازاں "کمپنی" کہلاتا ہے) کے ایک شیئر ہولڈر کی حیثیت سے درج ذیل کو تقرر کرتے ہیں:

جناب/مسز/مسز.....

منجانب.....سی ڈی سی اے/سی نمبر/فولیونمبر:.....

اور جوخود (مرد/عورت) حاضر ہونے میں ناکام ہوئے:.....

جو مذکورہ کمپنی کا ایک شیئر ہولڈر بھی ہے, میرے/ہمارے جانب سے اور میرے/ہمارے غیر موجودگی میں حاضر ہوں اور

میرے/ہمارے جانب سے مورخہ 28 اپریل 2017 (جمعہ) کو بوقت 11:00 صبح بمقام: کلثوم پلازہ, بلیو ایریا, اسلام آباد ہونے والے اجلاس میں کمپنی کے سالانہ جنرل میٹنگ میں ووٹ ڈالیں اور دیگر زیرالتواء کاروائی میں اسی طرح حصہ لیں جیسا کہ اگر میں/ہم بذات خود اس قسم کے اجلاس میں موجود ہوں.

بمعہ گواہی اور میرے/ہمارے دستخط بتاریخ.....2017

دستخط:.....

پتہ:.....

شناختی کارڈ نمبر.....

حامل شیئر کی تعداد:.....

5 روپے کا ریونیو ٹکٹ چسپاں کریں

(نوٹ: مذکورہ دستخط نمونے کے دستخط کے مطابق ہوں جیسا کہ کمپنی/شیئر رجسٹرار میں درج کیا گیا ہے.

نوٹس:

1. کوئی بھی نیابتی فارم اس وقت تک قابل قبول نہیں جب تک اس میں ریونیو ٹکٹ بمعہ باضابطہ دستخط نہ ہوں اور بصورت دیگر کمپنی نے اپنے مجاز شخص کے ذریعہ سے اپنی مشترکہ مہر بمع دستخط اسے تیار کیا ہوا ہو.
2. ایک نیابتی/قائم مقام شخص کی تعینات کے لئے یہ دستاویز باقاعدہ مکمل ہو اور یہ سالانہ جنرل میٹنگ کے شروع ہونے سے 48 گھنٹے قبل کمپنی کے کلثوم پلازہ, بلیو ایریا, اسلام آباد میں واقع رجسٹرڈ آفس کو وصول ہونا لازمی ہے.
3. نیابتی فارم کے ساتھ مستفید ہونے والے مالکان کی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی بھی جمع کروائیں.
4. نیابتی/قائم مقام شخص کیلئے لازمی ہے کہ اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرے.
5. کارپوریٹ انٹیٹی کی صورت میں, بورڈ آف ڈائریکٹر کا فیصلہ / مختارنامہ بمعہ مختار دہندہ کے دستخط کا نمونہ کا نیابتی فارم کے ساتھ کمپنی ہذا کو جمع کروائیں.

The Company Secretary

SAIF POWER LIMITED
Kulsum Plaza, Jinnah Avenue,
Blue Area,
Islamabad

AFFIX
POSTAGE

Form of Proxy

I/We,_____

of _____CDC A/C NO. / FOLIO NO. _____

being a shareholder of the Saif Power Limited (The Company) do hereby appoint.

Mr./Miss/Ms. _____

of _____CDC A/C NO. / FOLIO NO. _____

and or failing him/her_____of _____

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on April 28, 2017 (Friday) at 11:00 A.M. 4th Floor, Kulsum Plaza, Blue Area, Islamabad, and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally present at such meeting.

As witness my/our hands in this day of _____2017

Affix Revenue Stamp of Rs.5

Signature _____

Address _____

_____

CNIC No. _____

No. of shares held _____

(Note: signature should agree with the specimen Signatures registered with the Company/Share Registrar)

NOTES:

1. No Proxy shall be valid unless duly signed along with revenue stamp and in case of company should be executed under its common seal under signed by its authorized person.
2. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at Kulsum Plaza, Blue Area, Islamabad not later than 48 hours before the time of holding the Annual General Meeting.
3. Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
4. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
5. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be furnished along with proxy form to the Company.

The Company Secretary

SAIF POWER LIMITED
Kulsum Plaza, Jinnah Avenue,
Blue Area,
Islamabad

AFFIX
POSTAGE

Electronic Transmission Consent Form

Date: _____

General Manager
THK Associates (Pvt.) Ltd,
2nd Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road,
Karachi.

Pursuant to the directions given by Securities and Exchange Commission of Pakistan through its SRO 787 (I)/2014 dated September 8, 2014, I/we Mr./Ms/M/s _____

_____ S/o, D/o, W/o _____

hereby give consent to receive the Audited Financial Statements along with notice of Annual General Meeting of M/s Saif Power Limited through email on my/our email address provided as under:

Name of Member / shareholder: _____

Folio/CDC Account Number: _____

Email Address: _____

It is stated that above mentioned praticulars are true and correct. I/we shall notify you and the the Company in writing in case of any change in my/our email address or withdrawal of my/our above mentioned consent.

_____
Signature of the Member/Shareholder
CNIC Number:

In February 2017 Davis Cup came back to Pakistan after 12 long years. Pakistan defeated Iran to enter the next round. This is by no means a small achievement by the Pakistan Tennis Federation. A combination of consistent and strenuous efforts from PTF and its Chairman Mr. Salim Saifullah Khan plus great support from Government of Pakistan enabled this event to take place in Pakistan. For many years now, the country has been deprived of International sporting events with terrorism being cited as an excuse. However, subsequent to the Pakistan Iran tie, the International Tennis Federation heaped praise on PTF for organizing the event in a befitting manner with more than adequate security and, has asked Hongkong team to play their matches in Pakistan as well. Hopefully, this will be a beginning of a restart of sporting activities in Pakistan.

Punjab

Azad Jamu & Kashmir

Khyber Pakhtunkhwah

Balochistan

Islamabad

Sindh