

FIRST QUARTER REPORT FOR THE QUARTER ENDED MARCH 31, 2016



SAIF POWER LIMITED
A Saif Group Company

True heroes are made of hard work and integrity.

Hope Solo

"ALONE WE CAN DO SO LITTLE; TOGETHER WE CAN DO SO MUCH."

Helin Keller

Never look down on anyone. Only God sits that high.

"Kindness is the language which the deaf can hear and the blind can see."

- Mark Twain

You never look good trying to make someone else look bad.

Unknown

Our life is what our thoughts make it.

Norman Vincent Peary

Have the courage to say no. Have the courage to face the truth. Do the right thing because it is right. These are the magic keys to living your life with integrity.

W. Clement Stone

"It is when you give of yourself that you truly give."

Kahlil Gibran

"If you can DREAM it, you can do it."

Walt Disney

When money speaks, the truth keeps silent.

Russian proverb

Our Greatest WEAKNESS lies in giving up.

Samuel Johnson

"It is health that is real wealth and not pieces of gold and silver."

Mahatma Gandhi

"Love all, trust a few, do wrong to none."

William Shakespeare

The best of people is the one who humbles himself; the more his rank increases

Proverb

"We rise by lifting others."

Henry Ford

You are responsible for your own happiness.

If you expect others to make you happy, you will always be disappointed.

Enjoy the little things.

"One lie is enough to question all truths."

Albert Einstein

"Meet your Fears With Faith"

-Max Lucado

DON'T WAIT. THE TIME WILL NEVER BE JUST RIGHT. NAPOLEON HILL.

"Hasty judgments begets remorse."

German Proverb

"A man's true wealth is the good he does in this world."

Benjamin Franklin

Everyone thinks of changing the world, but no one thinks of changing himself.

Some people walk in the rain, others just get wet...

Stephen Miller

"Where there is no struggle, there is no strength."

Orish Winfrey

Disappointments are just God's way of saying, "I have got something better."

Be Patient... Have Faith... Trust God...

DON'T LET SOMEONE CHANGE WHO YOU ARE, TO BECOME WHAT THEY NEED

Gratitude is the greatest power to change your life NOW.

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CORPORATE INFORMATION

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

Dpty. CHIEF EXECUTIVE OFFICER

Mr. Sohail H Hydari

CHIEF FINANCIAL OFFICER

Mr. Hammad Mehmood

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

PLANT LOCATION

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

WEBSITE

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

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank AL Baraka (Pakistan) Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Ltd
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
National Bank Limited
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
Meezan Bank Limited

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

AUDITORS

M/s KPMG Taseer Hadi & Co
Chartered Accountants
State life building no 6
Jinnah Avenue
Islamabad

LEGAL ADVISORS

M/s Cornelius, Lane & Mufti
Advocates & Solicitors

M/s Slahauddin, Saif & Aslam
Attorneys at Law

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DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

On behalf of the Board of Directors, I have the pleasure in presenting this report along with the condensed interim financial information of your company for the first quarter ended March 31, 2016.

Corporate Overview

Your company is engaged in the generation of electricity and strives to contribute towards the national grid to help the country get rid of the menace of load shedding. Your company owns and operates a combined cycle thermal power plant, consisting of two gas turbines sourced from General Electric-France and one steam turbine sourced from Siemens- Sweden, with a gross capacity of 225 Mws.

Financial Performance

Your company performed well in this quarter as against the comparative quarter and managed to report a healthier net profit of Rs. 609 million (an increase of Rs. 68 million as compared to the corresponding period). The improved performance eventually translated into increase in per share earnings of 13%.

The case in London Court of International Arbitration (LCIA), over the disputed amount of Rs. 239.68 million with NTDC (non-acknowledgement of capacity purchase price due to non-supply of gas from SNGPL), has been decided in favor of the company during the current quarter.

An amount of Rs. 477.56 million is included in the trade debts on account of capacity purchase price due from NTDC since December 2012. The company is in litigation and the external legal council of the company is of the view that this amount will eventually be recovered.

	2016 (PKR-Million)	2015 (PKR-Million)
Turnover	2,729	4,299
Net Profit	609	541
Property, plant and equipment	14,655	14,802
Net Worth	8,191	7,872
Long term financing— Note 1	7,823	7,823
Short term borrowings	1,110	866
Earnings per Share	1.58	1.40
Net Profit - %	22%	13%
Dispatch Level	41.39%	48.35%
Capacity made available GWHs	- 373	380

Note 1:

The Principal amount of long-term financing, due at the end of current quarter, was paid on its due date (i.e. April 01, 2016), Whereas the Principal due at the end of last quarter of 2015 was paid on December 31, 2015 (one day before the due date) owing to the bank holiday on January 01, 2016 (due date).

On behalf of the Board,

Islamabad
April 22, 2016

SALIM SAIFULLAH KHAN
Chairman

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2016

	Note	Un-audited March 31, 2016 Rupees	Audited December 31, 2015 Rupees
SHARE CAPITAL AND RESERVES			
Share capital		3,864,717,790	3,864,717,790
Unappropriated profit		4,326,217,200	4,006,987,470
		8,190,934,990	7,871,705,260
NON-CURRENT LIABILITIES			
Long term financing - secured	5	6,015,849,261	6,404,276,170
Sub-ordinated loan - unsecured		33,121,043	65,965,049
Liabilities against assets subject to finance lease - secured		5,098,010	6,121,178
Deferred liability - gratuity		28,972,112	31,108,775
		6,083,040,426	6,507,471,172
CURRENT LIABILITIES			
Trade and other payables	6	1,576,050,947	2,656,970,804
Markup accrued		371,972,807	377,846,903
Short term borrowings - secured		1,110,005,154	865,803,310
Current portion of non-current liabilities		2,501,045,909	2,079,671,377
		5,559,074,817	5,980,292,394
		19,833,050,233	20,359,468,826

CONTINGENCIES AND COMMITMENTS

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

CHIEF EXECUTIVE

DIRECTOR

		Un-audited March 31, 2016 Rupees	Audited December 31, 2015 Rupees
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,654,556,814	14,802,174,440
Intangible assets		-	-
Long term deposits		1,281,200	1,281,200
		14,655,838,014	14,803,455,640
CURRENT ASSETS			
Stock in trade - HSD		113,006,842	128,210,622
Trade debts, secured-considered good		4,674,154,974	5,075,065,458
Advances - considered good		4,570,918	3,542,327
Trade deposits and short term prepayments		16,036,558	49,694,746
Other receivables		303,470,502	283,352,133
Advance income tax		11,528,796	11,382,439
Other financial assets		48,924,150	-
Bank balances		5,519,479	4,765,461
		5,177,212,219	5,556,013,186
		19,833,050,233	20,359,468,826

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

		Quarter Ended	
		March 31, 2016 Rupees	March 31, 2015 Rupees
	Note		
Turnover - net		2,729,005,358	4,298,589,353
Cost of sales	9	(1,876,408,567)	(3,428,146,446)
Gross profit		852,596,791	870,442,907
Administrative expenses		(23,470,741)	(18,794,445)
Finance cost		(220,851,083)	(334,797,283)
Other income		808,599	24,256,124
Profit for the period		609,083,566	541,107,303
Earnings per share- basic and diluted	10	1.58	1.40

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

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

	Quarter Ended	
	Un-audited March 31, 2016 Rupees	Audited March 31, 2015 Rupees
Profit for the quarter	609,083,566	541,107,303
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	609,083,566	541,107,303

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

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

	Note	March 31, 2016 <u>Rupees</u>	March 31, 2015 <u>Rupees</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Net Cash generated from/(used in) operating activities	11	194,774,703	93,331,468
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		307,833	(2,060,719)
Proceeds from disposal of property, plant and equipment		1,129,780	-
Long term deposits		-	(197,200)
Profit on deposit accounts		28,951	10,249,368
Return on investments - receipt		319,682	14,006,756
Net cash generated from / (used in) investing activities		1,170,580	21,998,205
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(279,533,385)
Short term borrowings - net		244,201,844	(67,152,188)
Increase in / (repayment) of liabilities against assets subject to finance lease		(919,553)	1,424,330
Net cash (used in) / generated from financing activities		243,282,291	(345,261,243)
Net increase/ (decrease) in cash and cash equivalents		49,678,168	(229,931,570)
Cash and cash equivalents at beginning of the quarter		4,765,461	533,807,963
Cash and cash equivalents at end of the quarter		54,443,629	303,876,393
Cash and cash equivalents			
Other Financial Assets		48,924,150	100,000,000
Bank Balance		5,519,479	203,876,393
		54,443,629	303,876,393

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

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

	Share capital Rupees	Unappropriated profit Rupees	Total Rupees
Balance as at January 01, 2015	3,864,717,790	3,104,298,218	6,969,016,008
Profit for the first quarter	-	541,107,303	41,107,303
Other comprehensive income	-	-	-
Total comprehensive income for the quarter	-	541,107,303	541,107,303
Balance as at March 31, 2015	<u>3,864,717,790</u>	<u>3,645,405,521</u>	<u>7,510,123,311</u>
Balance as at January 01, 2016	3,864,717,790	4,006,987,470	7,871,705,260
Profit for the first quarter	-	609,083,566	609,083,566
Other comprehensive income	-	-	-
Total comprehensive income for the quarter	-	609,083,566	609,083,566
Transaction with owners of the company			
Final dividend 2015 @ Rs.0.75 per share	-	(289,853,836)	(289,853,836)
Balance as at March 31, 2016	<u>3,864,717,790</u>	<u>4,326,217,200</u>	<u>8,190,934,990</u>

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

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

1 STATUS AND NATURE OF OPERATIONS

Saif Power Limited ("the Company") is public company incorporated in Pakistan under the Companies Ordinance 1984 on November 11, 2004 and it commenced operations from April 30, 2010. The Company is a subsidiary of Saif Holdings Limited (the Holding Company) with shareholding of 51.04% shares (December 31, 2015: 51.04%). The shares of the company are quoted on Pakistan Stock Exchange (formerly Karachi Stock Exchange) since December 15, 2014. The registered office of the Company is situated at Kulsum Plaza, Blue Area, Islamabad.

The principal activities of the Company are to own, operate and maintain a combined cycle power plant, situated in district Sahiwal (Punjab), having a nameplate capacity of 225 MW (ISO) and to sell the electricity to National Transmission and Despatch Company (NTDC).

2 BASIS OF PREPARATIONS

This condensed interim financial information of the company for the first quarter ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2015.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan 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 estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, 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.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and judgements were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2015.

4 ACCOUNTING

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements for the year ended December 31, 2015.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

	Note	Un-audited March 31, 2016 Rupees	Audited December 31, 2015 Rupees
5 LONG TERM FINANCED SECURED			
Syndicate term finance facility under SFA	5.1	6,488,673,006	6,488,673,008
Syndicate term finance facility under TFFA	5.2	1,334,549,910	1,334,549,906
		7,823,222,916	7,823,222,914
Current portion of long term financing		(1,807,373,655)	(1,418,946,745)
		6,015,849,261	6,404,276,170
5.1 Syndicated term finance facility under Senior Facility Agreement ("SFA")			
National Bank of Pakistan		1,512,154,715	1,512,154,715
Habib Bank Limited		1,512,154,715	1,512,154,715
United Bank Limited		1,512,154,715	1,512,154,715
Allied Bank Limited		725,834,263	725,834,260
Faysal Bank Limited		302,430,943	302,430,944
Askari Bank Limited		302,430,943	302,430,944
Bank of Punjab		302,430,943	302,430,944
Pak Oman Investment Company Limited		181,458,566	181,458,564
Saudi Pak Industrial & Agricultural Investment Co. Ltd		137,623,203	137,623,206
		6,488,673,006	6,488,673,008
5.2 Syndicated term finance facility under Term Finance Facility Agreement ("TFFA")			
National Bank of Pakistan		310,996,903	310,996,904
Habib Bank Limited		310,996,903	310,996,904
United Bank Limited		310,996,903	310,996,904
Allied Bank Limited		149,278,514	149,278,513
Faysal Bank Limited		62,199,380	62,199,379
Askari Bank Limited		62,199,380	62,199,379
Saudi Pak Industrial & Agricultural Investment Co. Ltd		28,362,917	28,362,916
Pak Brunei Investment Company Limited		99,519,009	99,519,009
		1,334,549,910	1,334,549,906
6 Trade and Other Payables			
Creditors		888,849,208	2,302,345,464
Accrued liabilities		19,873,845	17,598,518
Dividend payable		294,119,266	4,966,864
Retention money		212,271	212,271
Withholding tax payable		6,427,939	5,267,136
Payable against WPPF		133,584,936	103,130,758
Sales tax payable		7,378,115	-
Support services fee payable to Holding Company		221,525,725	221,525,725
Other payables		4,079,641	1,924,068
		1,576,050,947	2,656,970,804

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

7 Contingencies and Commitments

There is no change in status of the contingencies and commitments as disclosed in note 13 of the audited annual financial statements of the Company for the year ended December 31, 2015.

		Un-audited March 31, 2016 Rupees	Audited December 31, 2015 Rupees
8 Property, Plant and Equipment	Note		
Operating Fixed Assets	8.1	14,654,556,814	14,802,174,440
Capital work in progress-advance		-	-
		14,654,556,814	14,802,174,440
8.1 Operating Fixed Assets			
COST			
<i>Opening balance</i>		18,044,460,371	18,010,359,829
Add: additions during the period/ year			
Furniture and fixture		171,254	391,140
Computers		49,140	367,635
Office equipment		87,439	450,639
Vehicle-Leased		-	7,905,238
		307,833	9,114,652
Less: Disposal made during the period/ year		(2,075,275)	(3,986,611)
Adjustment of exchange loss on sub-ordinated loan		-	28,972,501
<i>Closing balance</i>		18,042,692,929	18,044,460,371
Depreciation			
<i>Opening balance</i>		3,242,285,931	2,657,073,229
Depreciation for the period/ year		147,255,645	588,385,880
Depreciation on assets disposed of		(1,405,461)	(3,173,178)
<i>Closing balance</i>		3,388,136,115	3,242,285,931
Written Down Value		14,654,556,814	14,802,174,440
		31 March 2016 Rupees	31 December 2015 Rupees
9 Cost of Sales			
Raw material consumed		1,507,416,028	3,028,961,593
Operation and maintenance		169,809,728	191,365,961
Salaries and other benefits		10,081,865	7,877,719
Electricity charges		9,599,014	10,731,769
Insurance		32,885,140	42,411,256
Depreciation		146,025,641	145,955,556
Office expenses		273,833	320,139
Traveling, conveyance and entertainment		244,364	64,535
Repair and maintenance		14,371	41,410
Communication		37,567	30,182
Others		21,016	386,326
		1,876,408,567	3,428,146,446

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
10 Earning Per Share		
Profit for the period (Rupees)	609,083,566	541,107,303
Weighted average number of shares (Numbers)	386,471,779	386,471,779
Earnings per share - basic (Rupees)	1.58	1.40

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

11 Cash Flow from Operating Activities

Profit for the quarter	609,083,566	541,107,303
Adjustments for non cash items:		
Depreciation	147,255,645	147,057,578
Amortization	-	213,252
Gain on sale of property, plant and equipment	(459,966)	-
Provision for staff retirement benefits - gratuity	1,844,124	1,620,778
Finance cost	220,851,083	334,797,283
Profit on deposit accounts	(28,951)	(10,249,368)
Return on investments	(319,682)	(14,006,756)
Operating profit before working capital changes	978,225,819	1,000,540,070
(Increase)/ decrease in current assets		
Advances	(1,028,591)	(19,739,910)
Trade deposits and prepayments	33,658,188	41,888,875
Other receivable	(20,118,369)	(244,562,300)
Stock in trade	15,203,779	121,284,196
Trade debts	400,910,484	26,591,274
	428,625,492	(74,537,865)
Increase/ (decrease) in trade and other payables	(1,370,773,691)	(435,357,809)
Net cash generated from operations	36,077,620	490,644,396
Staff retirement benefits paid	(3,980,787)	-
Income taxes paid	(146,357)	(3,269,810)
Finance cost paid	(226,725,178)	(394,043,118)
Net cash generated from/ (used in) operating activities	(194,774,703)	93,331,468

12 RELATED PARTY TRANSACTIONS

Significant transactions with related parties other than those disclosed elsewhere in this condensed interim financial information are as follows:

	March 31, 2016 Rupees	December 31, 2015 Rupees
Transactions with Holding Company		
Rent	1,355,265	1,232,055
Expenses incurred on behalf of the company	-	96,800
Transactions with associated undertakings due to common directorship		
Expenses incurred on behalf of the company	-	27,468

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED MARCH 31, 2016

13 CORRESPONDING FIGURES

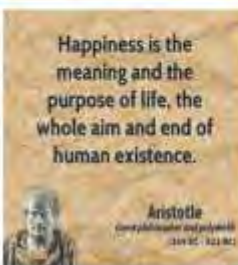
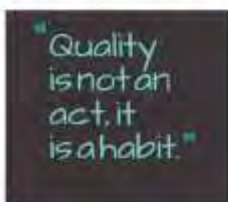
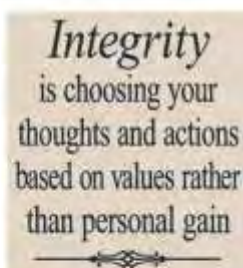
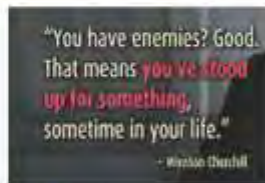
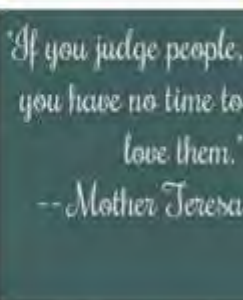
In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended December 31, 2015 and the corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the as per the un-audited financial statements of the Company for period ended March 31, 2015.

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors in their meeting held on April 22, 2016.

CHIEF EXECUTIVE

DIRECTOR



**Saving Energy
is a Bright Idea**

