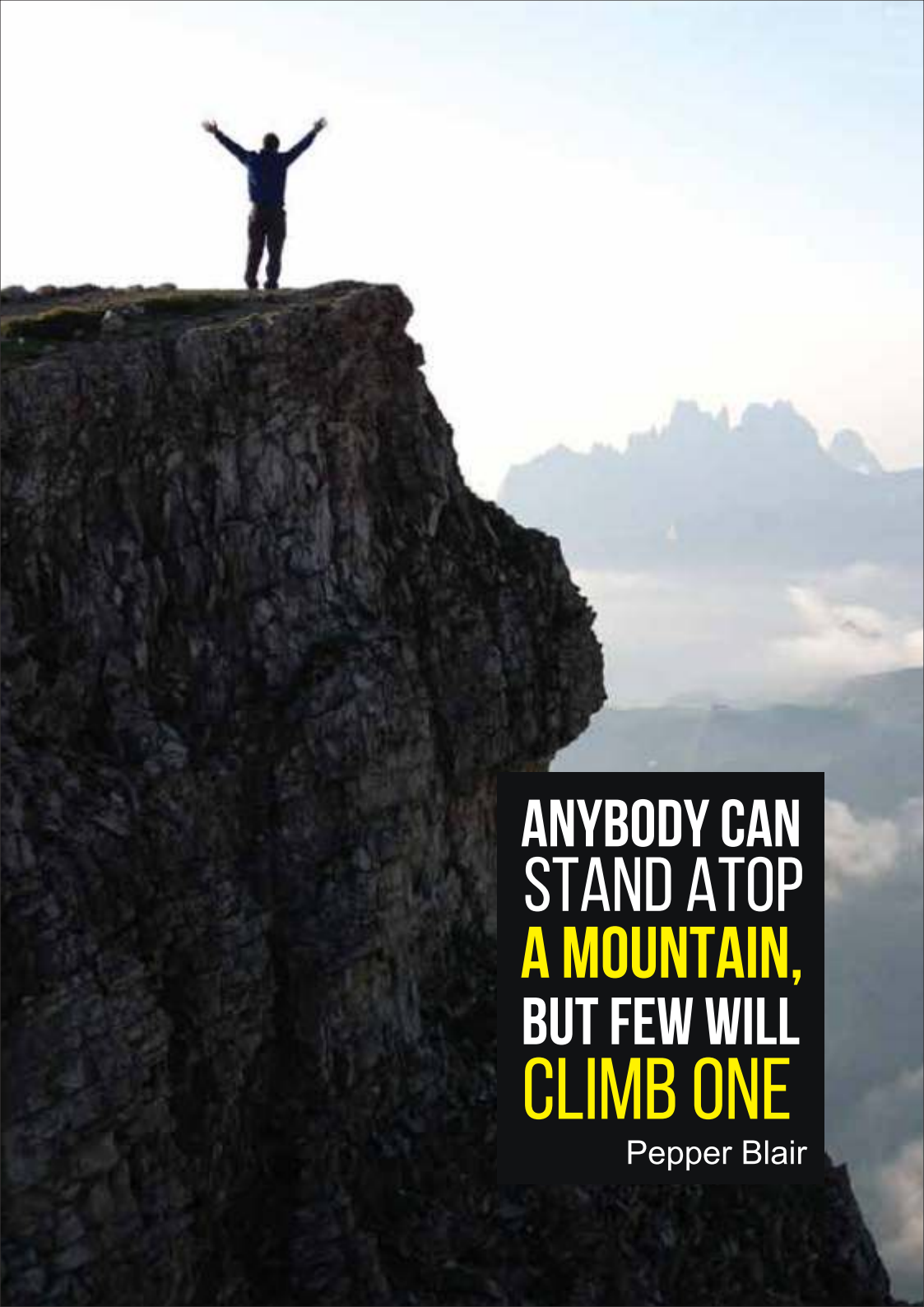
QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2017

SAIF POWER LIMITED
A Saif Group Company


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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Hoor Yousafzai	Chairperson
Mr. Osman Saifullah Khan	Director
Mr. Omar Saifullah Khan	Director/CEO
Mr. Jehangir Saifullah Khan	Director
Mr. Assad Saifullah Khan	Director
Ms. Jehannaz Saifullah Khan	Director
Mr. Shakil Durrani	Director

AUDIT COMMITTEE

Mr. Osman Saifullah Khan	Chairman
Mr. Jehangir Saifullah Khan	Member
Mr. Shakil Durrani	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

MANAGEMENT

Dpty. CHIEF EXECUTIVE OFFICER

Mr. Sohail H Hydari

CHIEF FINANCIAL OFFICER

Mr. Hammad Mehmood

COMPANY SECRETARY

Mr. Waseemullah

REGISTERED / HEAD OFFICE

4th Floor, Kashmir Commercial
Complex, Fazal-e- Haq Road,
Block E, Blue Area, Islamabad
Tel: +92-51-2271378-83
Fax: +92-51-2277670
Email: info.spl@saifgroup.com
Website: www.saifpower.com

PLANT LOCATION

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

BANKERS

Habib Bank Limited
Allied Bank Limited
Askari Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
JS 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
Soneri Bank LImited
The Bank of Punjab
United Bank Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited

AUDITORS

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

LEGAL ADVISORS

M/s Slahauddin, Saif & Aslam
Attorneys at law

M/s Cornelius, Lane & Mufti
Advocates & Solicitors

SHARE REGISTRAR

THK Associates (Private) Ltd.
1st Floor, 40-C, Block -6, P.E.C.H.S, Karachi - 75400 P.O Box No. 8533
Tel: +92-21-34168266-68-70
Fax: +91-21-34168271
Email: secretariat@thk.com.pk

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 half year ended 30 June, 2017.

PRINCIPAL ACTIVITY

Your Company is engaged in the generation of electricity which is supplied to the national grid. 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 MW.

SUMMARY OF FINANCIAL PERFORMANCE

By the grace of God, the operations remained smooth and the performance has been steady. Your Company's net profit for during the period was Rs. 1,323 million as against of 2016: Rs.1,139 million for the comparable period. Earnings per share (EPS) for the period is Rs.3.42 (2016: Rs.2.95).

PENDING ISSUES

The arbitration award in Company's favor for an amount of Rs.239.68 million against SNGPL was challenged by SNGPL in Lahore High Court (LHC). However, as expected, the LHC dismissed the petition from SNGPL in Company's favour. Last year, The Company filed a petition in LHC to obtain decree in lieu of the arbitration award and adjusted the an amount of Rs. 270.66 million against payables to SNGPL. At the same time company has kept Arbitration against NTDC alive in case it has to revert back to NTDC. There is remote a possibility since the amount already been awarded against 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 the arbitrator has furnished the award in favour of the company. It has been held, inter alia, that the expert determination is final and binding and the arbitration is at the stage of quantification of amounts payable to the Company. NTDC has challenged this award in Civil Court Lahore.

	30 June	
	2017 (Rs. in Million)	2016 (Rs. in Million)
Turnover	7,623	5,903
Net profit	1,323	1,139
Earning per share (Rs.)	3.42	2.95
Dispatch Level	47.05%	63.37%
Capacity Made Available-GWHs	821	803

	30 June 2017 (Rs. in Million)	31 December 2016 (Rs. in Million)
Property, Plant and Equipment	13,936	14,213
Net Worth	9,804	9,216
Long term financing	5,707	6,499
Short term borrowings	2,716	1,267

Future Outlook

We are confident that with the sustained efforts, the Company will be able to ensure growth.

Acknowledgments

We would like to take this opportunity to thank our regulators, financial institutions, customers and other stakeholders for their continuous support and guidance.

The Directors also place on record their appreciation for the hard work and devotion of the employees towards the improved performance of the Company.

Appropriation

The Board of directors' has declared an interim cash dividend of Rs.1.75 per share.

For and behalf of the Board of Directors'

Islamabad
August 21, 2017

Chairperson

سیف پاور لمیٹڈ

ممبران کے لیے ڈائریکٹرز کی رپورٹ

محترم ممبران!

بورڈ آف ڈائریکٹرز (BOD) کی جانب سے میں، 30 جون 2017ء کو ختم ہونے والے نصف سال کے لئے آپ کی کمپنی کے "غیر محاسبہ شدہ ملخص عبوری مالی بیانات" کے ساتھ ساتھ اس رپورٹ کو پیش کرنے کا اعزاز حاصل کر رہا ہوں۔

اہم سرگرمی:

آپ کی کمپنی بجلی پیدا کرنے میں مصروف ہے جو کہ نیشنل گرڈ (بڑے بڑے پاور اسٹیشنز کو ملانے کے لیے ہائی وولٹیج پاور لائنز کے نیٹ ورک) کو مہیا کی جاتی ہے۔ آپ کی کمپنی کے پاس "کمبائنڈ سائیکل تھرمل پاور پلانٹ" ہے جو کہ جنرل الیکٹرک فرانس کے دو طرفہ گیس ٹربائن اور یمنز سویڈن کے ایک سٹیم ٹربائن پر مشتمل ہے اور اس پلانٹ کی مجموعی پیداواری صلاحیت 225 میگاواٹ ہے۔

مالیاتی کارکردگی کا خلاصہ:

خدا کے فضل سے، تمام آپریشنز ہموار رہے ہیں اور کارکردگی مستحکم رہی ہے۔ مذکورہ عرصہ کے دوران آپ کی کمپنی کا خالص منافع 1,323 ملین روپے تھا جب کہ اس کے مقابلے میں سال 2016ء میں اتنے ہی عرصہ کے دوران یہ منافع 1,139 ملین روپے تھا۔ مذکورہ عرصہ کی فی شیئر آمدنی 3.42 روپے ہے (جو کہ 2016ء میں 2.95 روپے تھی)۔

زیر التواء مسائل:

سوئی ناردرن گیس کے خلاف 239.68 ملین روپے کے لئے کمپنی کے حق میں ثالثی ایوارڈ کو سوئی ناردرن کی طرف سے لاہور ہائی کورٹ دونوں میں چیلنج کیا گیا تھا۔ تاہم، توقع کے مطابق، لاہور ہائی کورٹ نے کمپنی کے حق میں سوئی ناردرن کی جانب سے دائر درخواست کو مسترد کر دیا۔ گزشتہ سال، کمپنی نے ثالثی اعزاز کے عوض میں فیصلہ حاصل کرنے کے لئے لاہور ہائی کورٹ میں ایک درخواست دائر کی ہے اور سوئی ناردرن گیس پائپ لائن (SNGPL) کی ادائیگیوں کے مقابلے میں 270.66 ملین روپے کی رقم کو ایڈجسٹ کیا ہے۔ اسی دوران کمپنی نے این ٹی ڈی سی (NTDC) کے خلاف ثالثی بھی رکھی ہے اگر اسے این ٹی ڈی سی (NTDC) کی طرف واپس لوٹنا پڑے۔ دور دراز یہ امکان ہے کہ سوئی ناردرن گیس پائپ لائن (SNGPL) کے خلاف پہلے ہی سے رقم ادا کی 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، ثالثی نے کمپنی کے حق میں فیصلہ پیش کیا ہے۔ دیگر چیزوں کے ساتھ ساتھ، یہ طے ہوا ہے کہ ماہر کا فیصلہ حتمی اور لاگو ہے نیز ثالثی اس مرحلہ میں ہے کہ وہ کمپنی کو قابل ادا ہونے والی رقم کا تعین کرے۔ این ڈی ٹی سی (NTDC) نے اس اعزاز کو سول کورٹ لاہور میں چیلنج کیا ہے۔

اہم آپریشنل اور مالیاتی ڈیٹا:

	30 جون 2017ء (روپے ملین میں)	30 جون 2016ء (روپے ملین میں)
کاروبار	7,623	5,903
خالص منافع	1,323	1,139
فی شیئر آمدنی (روپے)	3.42	2.95
ترسیل کا لیول	47.05%	63.37%
میسر میگاواٹ آورز کی گنجائش	821	803

	30 جون 2017ء (روپے ملین میں)	31 دسمبر 2016ء (روپے ملین میں)
پراپرٹی، پلانٹ اور سامان	13,936	14,213
نیٹ اثاثے	9,804	9,216
طویل مدتی فنانسنگ	5,707	6,499
حصص مدت کے قرضے	2,716	1,267

مستقبل کے امکانات:

ہمیں یقین ہے کہ مسلسل کوششوں کے ساتھ، کمپنی ترقی کو یقینی بنانے کے قابل ہو جائے گی۔

اظہارِ تشکر:

ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے ریگولیٹرز، مالیاتی اداروں، گاہکوں اور دیگر اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں کہ انہوں نے ہماری مسلسل حمایت اور رہنمائی کی۔

ڈائریکٹرز بھی کمپنی کی بہتر کارکردگی کے حوالے سے ملازمین کی محنت اور لگن کی تعریف کرتے ہیں اور اپنی اس تعریف کو ریکارڈ میں رکھنا چاہتے ہیں۔

مالیاتی اختصاص:

بورڈ آف ڈائریکٹرز نے 1.75 روپے فی شیئر کے حساب سے ایک منقولہ نقد منافع کا اعلان کیا ہے۔

بورڈ آف ڈائریکٹرز کی جگہ اور بورڈ کی نیابت سے:

ڈائریکٹر

اسلام آباد

21 اگست، 2017ء

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Saif Power Limited ("the Company") as at 30 June 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement , condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of matter

We draw attention to notes 11.2 and 11.3 to the financial statements, which describe the matters regarding recoverability and adjustments of certain trade debts. Our conclusion is not qualified in respect of these matters.

Other matter

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 30 June 2017 and 30 June 2016, have not been reviewed and we do not express a conclusion on them.

Islamabad
21 August, 2017

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Inam Kakra

CONDENSED INTERIM BALANCE SHEET
AS AT 30 JUNE 2017

	Note	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
Equity			
Share capital		**3,864,717,790**	3,864,717,790
Unappropriated profit		**5,939,458,243**	5,351,061,011
Share Capital And Reserves		**9,804,176,033**	9,215,778,801
Long term financing	4	**3,844,691,352**	4,761,277,269
Sub-ordinated loan	5	**724,312,525**	722,932,879
Liabilities against assets subject to finance lease	6	**13,197,513**	2,015,640
Deferred liability - gratuity		**-**	36,235,421
Non-current Liabilities		**4,582,201,390**	5,522,461,209
Trade and other payables		**2,031,834,039**	1,126,812,998
Markup accrued		**366,689,535**	359,724,299
Short term borrowings	7	**2,715,668,942**	1,266,873,073
Current portion of non-current liabilities		**1,868,504,086**	1,742,259,627
Current Liabilities		**6,982,696,602**	4,495,669,997
Total Share Capital, Reserves and Liabilities		**21,369,074,025**	19,233,910,007
Contingencies and Commitments	8		

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

	Note	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
Assets			
Property, plant and equipment	9	**13,936,629,981**	14,213,512,866
Long term deposits	10	**5,115,910**	4,674,560
Non-current Assets		**13,941,745,891**	14,218,187,426
Stock in trade		**172,304,620**	128,114,620
Trade debts	11	**5,661,395,241**	4,377,319,135
Advances	12	**18,059,062**	2,320,034
Trade deposits and short term prepayments	13	**2,775,192**	47,174,940
Other receivables	14	**345,867,321**	296,082,915
Advance income tax		**12,250,853**	11,947,872
Short term investments	15	**1,213,953,189**	150,000,000
Bank balances	16	**722,656**	2,763,065
Current Assets		**7,427,328,134**	5,015,722,581
Total Assets		**21,369,074,025**	19,233,910,007

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	Note	For the Quarter Ended		For Six Months Period Ended	
		30 June 2017 Rupees	30 June 2016 Rupees	**30 June 2017 Rupees**	30 June 2016 Rupees
Turnover - net	**17**	**4,799,157,499**	3,174,480,063	**7,623,582,204**	5,903,485,421
Cost of sales	**18**	**(3,919,057,749)**	(2,404,559,130)	**(5,888,264,615)**	(4,280,967,697)
Gross profit		**880,099,750**	769,920,933	**1,735,317,589**	1,622,517,724
Administrative expenses		**(46,269,830)**	(45,054,600)	**(79,304,217)**	(68,525,341)
Finance cost	**19**	**(169,500,016)**	(201,195,849)	**(336,167,691)**	(422,046,932)
Other income	**20**	**1,267,323**	5,915,121	**2,847,931**	6,723,720
Profit for the period		**665,597,227**	529,585,605	**1,322,693,612**	1,138,669,171
Earnings per share- basic and diluted	**21**	**1.72**	1.37	**3.42**	2.95

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	For the Quarter Ended		For Six Months Period Ended	
	30 June 2017 Rupees	30 June 2016 Rupees	**30 June 2017 Rupees**	30 June 2016 Rupees
Profit for the period	**665,597,227**	529,585,605	**1,322,693,612**	1,138,669,171
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**665,597,227**	529,585,605	**1,322,693,612**	1,138,669,171

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	Share Capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance at 01 January 2016	3,864,717,790	**4,006,987,470**	7,871,705,260
Total comprehensive income for the period			-
Profit for the period	-	1,138,669,171	1,138,669,171
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	1,138,669,171	1,138,669,171
Transaction with owners of the Company Distributions			
Final dividend @ Rs. 0.75 per share	-	(289,853,835)	(289,853,835)
Balance at 30 June 2016	3,864,717,790	4,855,802,806	8,720,520,596
Balance at 01 January 2017	**3,864,717,790**	**5,351,061,011**	**9,215,778,801**
Total comprehensive income for the period			
Profit for the period	-	**1,322,693,612**	**1,322,693,612**
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	**1,322,693,612**	**1,322,693,612**
Transaction with owners of the Company Distributions			
Final dividend 2016 @ Rs. 1.90 per share	-	**(734,296,380)**	**(734,296,380)**
Balance at 30 June 2017	**3,864,717,790**	**5,939,458,243**	**9,804,176,033**

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2017

		For Six Months Period Ended	
		30 June 2017 Rupees	30 June 2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES	**Note**		
Profit for the period		**1,322,693,612**	1,138,669,171
Adjustments for:			
Depreciation		**295,575,715**	294,559,496
Gain on sale of property, plant and equipment		**(37,965)**	(504,766)
Provision for staff retirement benefits - gratuity		**3,910,482**	3,688,248
Finance cost		**336,149,809**	421,893,921
Profit on deposit accounts		**(99,740)**	(374,143)
Return on investments		**(2,710,226)**	(5,844,811)
		1,955,481,687	1,852,087,116
Changes in:			
Stock in trade		**(44,190,000)**	(14,718,801)
Trade debts		**(1,284,076,106)**	1,279,929,581
Advances		**(15,739,028)**	1,296,568
Trade deposits and short term prepayments		**44,399,748**	(64,450,841)
Other receivable		**(49,784,406)**	(143,775,823)
Trade and other payables		**887,691,047**	(785,682,903)
		(461,698,745)	272,597,781
Cash generated from operating activities		**1,493,782,942**	2,124,684,897
Payment against deferred liability - gratuity		**(22,815,909)**	(4,350,898)
Payment of long term deposits		**(441,350)**	(504,800)
Income tax paid		**(302,981)**	(396,659)
Finance cost paid		**(329,184,575)**	(445,661,755)
Net cash generated from operating activities		**1,141,038,127**	1,673,770,785
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(188,034)**	(488,746)
Proceeds from disposal of property, plant and equipment		**37,965**	1,174,580
Profit on deposit accounts		**99,740**	374,143
Return on investments - receipt		**2,710,226**	5,844,811
Net cash (used in) from investing activities		**2,659,897**	6,904,788
Cash flows from financing activities			
Repayment of long term financing		**(792,669,568)**	(683,516,514)
Dividend paid		**(734,296,380)**	(289,853,835)
Increase / (decrease) short term borrowings		**1,448,795,869**	(600,784,534)
Increase / (decrease) in finance lease liabilities		**(3,615,165)**	(1,860,578)
Net cash used in financing activities		**(81,785,244)**	(1,576,015,461)
Net increase / (decrease) in cash and cash equivalents		**1,061,912,780**	104,660,112
Cash and cash equivalents at 01 January		**152,763,065**	4,765,461
Cash and cash equivalents at 30 June		**1,214,675,845**	109,425,573

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

1 REPORTING ENTITY

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 are 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 4th Floor, Kashmir Commercial Complex Fazal-ul-Haq Road, Block E, 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 (2016: 51.04%).

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the six months ended 30 June 2017 have been prepared in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures in this condensed interim financial information do not include those reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 31 December 2016. Comparative condensed interim balance sheet is extracted from the audited annual financial statements as of 31 December 2016, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from un-audited interim financial statements for the six months period ended 30 June 2016.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and regulations of Pakistan Stock Exchange Limited.

The Companies Act, 2017 was promulgated on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that all the companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984.

3 SIGNIFICANT ACCOUNTING POLICIES AND USE OF JUDGEMENTS AND ESTIMATES

The accounting policies applied in this condensed interim financial information are the same as those applied in the last annual financial statements.

In preparing this condensed interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied in preparation of annual audited financial statements for the year ended 31 December 2016.

4 LONG TERM FINANCING - SECURED	Note	Un-audited 2017 Rupees	Audited 2016 Rupees
Balance at 01 January		6,499,483,656	7,823,222,915
Repayment during the period / year		(792,669,568)	(1,323,739,259)
		5,706,814,088	6,499,483,656
Current portion of long term financing		(1,862,122,736)	(1,738,206,387)
Balance at 30 June / 31 December	4.1	3,844,691,352	4,761,277,269

4.1 Terms and conditions of all long term facilities are same as disclosed in annual financial statements for the year ended 31 December 2016.

5 SUB-ORDINATED LOAN - SECURED	Note	Un-audited 2017 Rupees	Audited 2016 Rupees
Balance at 01 January		722,932,879	65,965,049
Effect of rescheduling		-	656,967,830
Net Exchange loss capitalized	5.1	1,379,646	-
Balance at 30 June / 31 December		724,312,525	722,932,879

5.1 Terms and conditions of all long term facilities are same as disclosed in annual financial statements for the year ended 31 December 2016.

6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	Note	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
		Present value of minimum lease payments	Present value of minimum lease payments
Within one year		6,381,350	4,053,240
Later than one year and not later than five year		13,197,513	2,015,640
		19,578,863	6,068,880

7 SHORT TERM BORROWINGS - SECURED

Working capital facilities		2,515,668,942	951,873,158
Short term loan facilities		-	265,000,000
Short term murabaha facilities		200,000,000	49,999,915
	7.1	2,715,668,942	1,266,873,073

7.1 The terms and conditions of short term borrowings are same as disclosed in the annual financial statements for the year ended 31 December 2016.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

All contingencies and commitments are the same as those disclosed in annual financial statements for the year ended 31 December 2016, except for the following changes;

SNGPL has claimed an amount of Rs. 81.91 million on account of late payment by the Company against SNGPL's invoices of Regasified Liquified Natural Gas (RLNG). SNGPL submitted these invoices to the Company without getting determination from 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.

8.2 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.

	Note	Un-audited 2017 Rupees	Audited 2016 Rupees
9 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	**13,936,629,981**	14,213,512,866
9.1 Operating fixed assets			
Balance at 01 January		**14,213,512,866**	14,802,174,440
Additions during the period / year		**17,313,176**	1,114,373
Book value of disposals		**-**	(1,528,122)
Depreciation for the period / year		**(295,575,715)**	(588,247,825)
Adjustment of exchange loss		**1,379,654**	-
Balance at 30 June / 31 December		**13,936,629,981**	14,213,512,866

	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
10 LONG TERM DEPOSITS		
Security deposit - banks	**1,281,200**	4,674,560
Security deposit - modaraba company	**3,834,710**	-
	5,115,910	4,674,560

This represents security deposits on finance lease facilities obtained from conventional banks and ijarah facilities obtained from modaraba company which are adjustable against lease rentals at the end of lease term.

11 TRADE DEBTS - SECURED, CONSIDERED GOOD	Note	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
National Transmission and Despatch Company (NTDC)	11.1	**5,661,395,241**	4,377,319,135

11.1 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 Power Purchase Agreement (PPA) at the rate of KIBOR + 4.5% per annum.

11.2 Included in trade debts is an amount of Rs. 477.56 million (2016: Rs. 477.56 million) relating to capacity purchase price not acknowledged by 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 PPA.

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 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 judgement of the expert as final and binding.

During the six months ended 30 June 2017, the arbitrator has furnished the award in favour of the Company. It has been held, inter alia, that the expert determination is final and binding and the arbitration is at the stage of quantification of amounts payable to the Company. NTDC has challenged this award in Civil Court Lahore.

11.3 During year ended 31 December 2016, an amount of Rs. 239.68 million relating to capacity purchase price not acknowledged by NTDC was adjusted by the Company against payable to SNGPL pursuant to award in favour of the Company for the whole amount by the London Court of International Arbitration (Arbitrator). SNGPL disputed the Award in the Lahore High Court but Lahore High Court dismissed this petition of SNGPL. During the year ended 31 December 2016, the Company filed a petition in the Civil Court Lahore to obtain a Decree in lieu of the arbitration award and also adjusted an amount of Rs. 270.66 million from payable to SNGPL as such amount was allowed by the Arbitrator in its award.

The Company also took up legal proceedings against both, NTDC to keep its rights and claims intact. However, in the case against NTDC, the expert determined that NTDC is not obliged to pay such capacity amounts to the Company. The Company has kept Arbitration against NTDC alive in case it has to revert back to NTDC possibility of which is remote since the amount already been awarded against SNGPL.

12 ADVANCES - CONSIDERED GOOD

	Note	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
Advances to supplier - unsecured - non interest bearing		**17,609,956**	1,154,615
Advances to employee - unsecured - non interest bearing		**449,106**	1,165,419
		18,059,062	2,320,034

		Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits - non interest bearing		**1,038,000**	1,038,000
Prepayments		**1,737,192**	46,136,940
		2,775,192	47,174,940
14 OTHER RECEIVABLES			
Sales tax receivable		**-**	18,400,940
Receivable against WPPF		**342,246,990**	276,112,309
Other receivables		**3,620,331**	1,569,666
		345,867,321	296,082,915
15 SHORT TERM INVESTMENTS			
Term deposit receipts		**-**	150,000,000
Treasury bills	**15.1**	**1,213,953,189**	-
		1,213,953,189	150,000,000

15.1 These carry markup at the rate of 5.76% per annum.

16 BANK BALANCES			
Local currency			
Current accounts		**135,348**	289,318
Deposit accounts	**16.1**	**49,646**	1,923,446
		184,994	2,212,764
Foreign Currency			
Current accounts	**16.2**	**332,533**	345,309
Deposit accounts	**16.1 & 16.2**	**205,129**	204,992
		537,662	550,301
		722,656	2,763,065

16.1 Balances with banks carry mark-up ranging from 3.77 % to 3.8 % (2016: 3.84% to 3.99%) per annum.

16.2 This represents an amount of USD 5,130 thousand (2016: USD 5,251 thousand) in US Dollar deposit and current accounts.

	For the Quarter ended		For the Six Months Period ended	
	30 June 2017	30 June 2016	**30 June 2017**	30 June 2016
	Rupees	Rupees	**Rupees**	Rupees
17 TURNOVER - NET				
Gross Energy Purchase Price (EPP)	**4,868,694,337**	2,539,234,350	**7,034,674,184**	4,773,979,926
Less: sales tax	**(1,127,902,776)**	(368,948,581)	**(1,561,293,902)**	(971,197,983)
	3,740,791,561	2,170,285,769	**5,473,380,282**	3,802,781,943
Capacity Purchase Price (CPP)	**1,058,365,938**	1,004,194,294	**2,150,201,922**	2,100,703,478
	4,799,157,499	3,174,480,063	**7,623,582,204**	5,903,485,421
18 COST OF SALES				
Raw material consumed	**3,446,790,214**	2,004,622,226	**5,044,515,382**	3,512,038,254
Operation and maintenance	**271,538,505**	206,819,851	**440,886,960**	376,629,579
Salaries and other benefits	**15,666,674**	12,184,912	**26,220,530**	22,266,777
Electricity charges	**5,179,160**	1,264,301	**17,203,729**	10,863,315
Insurance	**33,240,119**	33,126,994	**66,114,962**	66,012,134
Depreciation	**146,054,430**	146,083,218	**292,108,860**	292,108,859
Office expenses	**207,952**	221,191	**487,588**	495,024
Traveling, conveyance and entertainment	**248,416**	122,460	**434,673**	366,824
Repair and maintenance	**49,900**	31,974	**146,824**	46,345
Communication	**36,659**	32,543	**65,648**	70,110
Others	**45,720**	49,460	**79,459**	70,476
	3,919,057,749	2,404,559,130	**5,888,264,615**	4,280,967,697
19 FINANCE COST				
Mark-up on long term borrowings	**143,375,077**	181,060,434	**295,785,024**	372,829,170
Mark-up on short term borrowings	**25,744,747**	12,051,572	**39,528,342**	34,477,459
Exchange loss	**38**	15,433	**17,882**	153,011
Bank and other charges	**380,154**	8,068,410	**836,443**	14,587,292
	169,500,016	201,195,849	**336,167,691**	422,046,932
20 OTHER INCOME				
Income from financial assets				
Income on deposits and investments	**1,229,358**	5,870,321	**2,809,966**	6,218,954
Income from non - financial assets				
Gain on disposal of property, plant and equipment	**37,965**	44,800	**37,965**	504,766
	1,267,323	5,915,121	**2,847,931**	6,723,720

	For the Quarter ended		For the Six Months Period ended	
	30 June 2017 Rupees	30 June 2016 Rupees	**30 June 2017 Rupees**	30 June 2016 Rupees
21 EARNING PER SHARE				
Profit for the period (Rupees)	**665,597,227**	529,585,605	**1,322,693,612**	1,138,669,171
Weighted average number of shares	**386,471,779**	386,471,779	**386,471,779**	386,471,779
Earnings per share - Basic (Rupees)	**1.72**	1.37	**3.42**	2.95

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

		30 June 2017 Rupees	30 June 2016 Rupees
22 CASH AND CASH EQUIVALENTS	**Note**		
Short term investments	**15**	**1,213,953,189**	104,702,360
Bank Balances	**16**	**722,656**	4,723,213
		1,214,675,845	109,425,573

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

'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).

23.1 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**
30 June 2017		(Rupees)							
Financial assets measured at fair value		-	-	-	-	-	-	-	-
Financial assets not measured at fair value	**23.2**								
Short term investments		-	1,213,953,189	-	1,213,953,189	-	-	-	-
Trade debts		-	5,661,395,241	-	5,661,395,241	-	-	-	-
Trade deposits		-	1,038,000	-	1,038,000	-	-	-	-
Other receivables		-	3,620,331	-	3,620,331	-	-	-	-
Bank balances		-	722,656	-	722,656	-	-	-	-
Total		-	6,880,729,417	-	6,880,729,417	-	-	-	-

Financial liabilities not measured at fair value									
Long term financing		-	-	**5,706,814,088**	**5,706,814,088**	-	-	-	-
Sub-ordinated loan		-	-	**724,312,525**	**724,312,525**	-	-	-	-
Liabilities against assets subject to finance lease		-	-	**19,578,863**	**19,578,863**	-	-	-	-
Trade and other payables	**23.2 & 23.3**	-	-	**1,921,195,672**	**1,921,195,672**	-	-	-	-
Markup accrued	**23.2**	-	-	**366,689,535**	**366,689,535**	-	-	-	-
Short term borrowings	**23.2**	-	-	**2,715,668,942**	**2,715,668,942**	-	-	-	-
Total		-	-	**11,454,259,625**	**11,454,259,625**	-	-	-	-
31 December 2016									
Financial assets measured at fair value		-	-	-	-	-	-	-	-
Financial assets not measured at fair value	23.2								
Short term investments		-	150,000,000	-	150,000,000	-	-	-	-
Long term deposits		-	4,674,560	-	4,674,560	-	-	-	-
Trade debts		-	4,377,319,135	-	4,377,319,135	-	-	-	-
Trade deposits		-	1,038,000	-	1,038,000	-	-	-	-
Other receivables		-	1,569,666	-	1,569,666	-	-	-	-
Bank balances		-	2,763,065	-	2,763,065	-	-	-	-
Total		-	4,537,364,426	-	4,537,364,426	-	-	-	-

		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 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	23.2 & 23.3	-	-	1,006,047,069	1,006,047,069	-	-	-	-
Markup accrued	23.2	-	-	359,724,299	359,724,299	-	-	-	-
Short term borrowings	232	-	-	1,266,873,073	1,266,873,073	-	-	-	-
Total		-	-	9,861,129,856	9,861,129,856	-	-	-	-

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

23.3 It excludes withholding tax payable and payable against WPPF.

24 RELATED PARTY TRANSACTIONS

Transactions with related parties during the period are as follows:

	Un-audited 30 June 2017 Rupees	Audited 31 December 2016 Rupees
Transactions with Holding Company		
Rent	**2,587,284**	2,693,764
Dividend	**374,817,976**	147,954,464
Transactions with associated undertakings due to common directorship		
Expenses incurred on behalf of the company	**234,472**	66,456
Dividend	**190**	75
Transaction with key management personnel		
Dividend	**38,004**	15,002
Remuneration, allowances and benefits	**36,962,236**	26,924,454

25 GENERAL

25.1 Figures have been rounded off to the nearest rupee.

25.2 These financial statements were approved by the Board of Directors in their meeting held on 21 August 2017

25.3 The Board of Directors of the Company in its meeting held on 21 August, 2017 has proposed an interim cash dividend of Rs. 1.75 per share.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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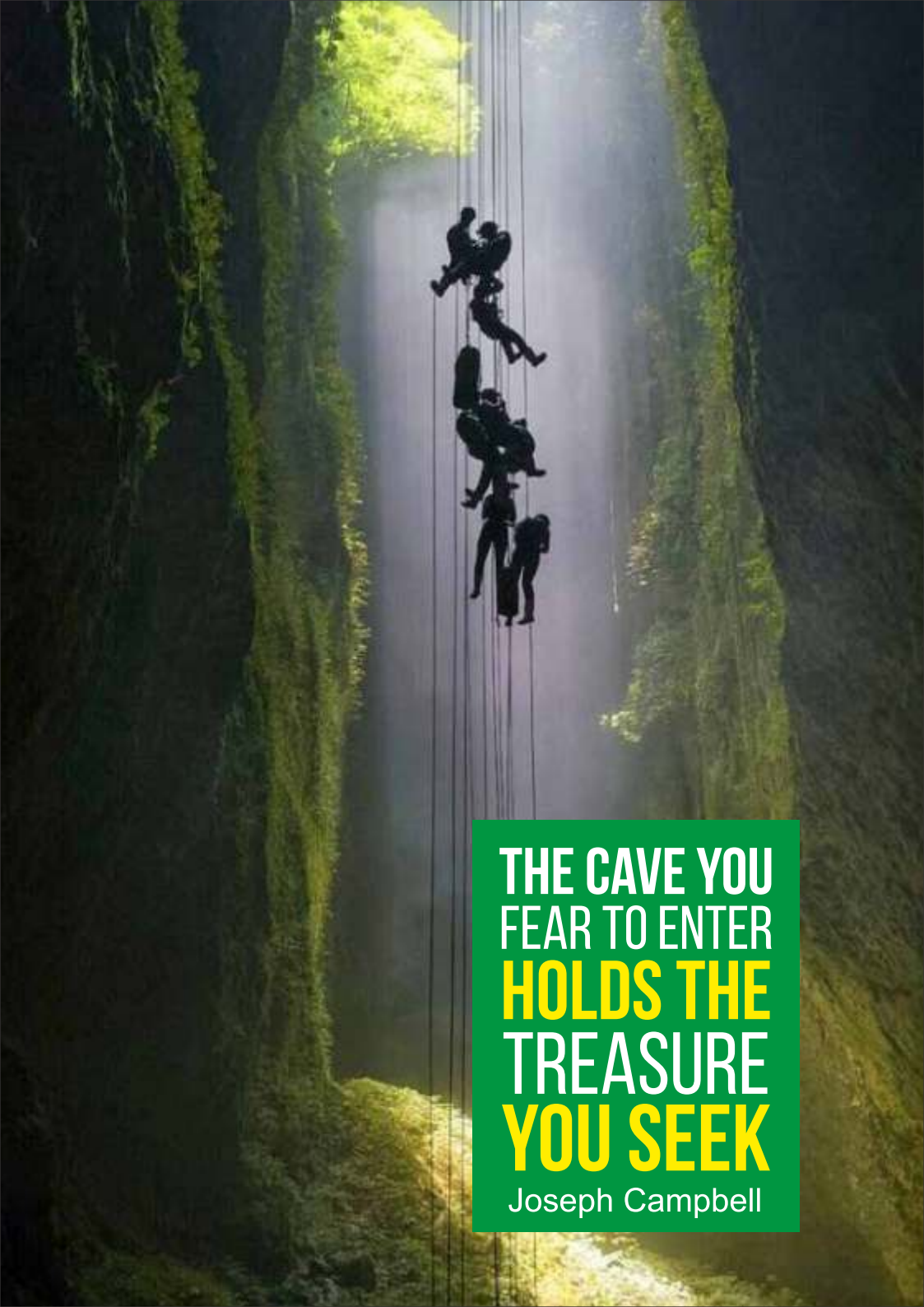
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