

QUARTERLY REPORT

FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 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."
- Helen 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.
Norval George

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.
Thomas A. Edison

"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

"We rise by lifting others."
Benjamin Franklin

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."
Anonymous

"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."
Mohammed (1100-1122)

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

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

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

CONTENTS

Corporate Information	1
Directors' Report to the Members	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Information	11

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

COMPANY SECRETARY

Mr. Waseemullah

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 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
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 Cornelius, Lane & Mufti
Advocates & Solicitors

M/s Slahauddin, Saif & Aslam
Attorneys at Law

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

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 nine months period ended September 30, 2016.

PRINCIPAL ACTIVITY

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 MW.

SUMMARY OF FINANCIAL PERFORMANCE

Profit for the period is Rupees 1,673 million (2015: Rupees 1,513 million).

The case in London Court of International Arbitration (LCIA) over the disputed amount of Rupees 239.68 million with SNGPL (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 period. The Company has filed a petition in Civil Court, Lahore for Decree of the Arbitrator Award.

An amount of Rupees 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 arbitration (expert decision was in company's favour). The external legal counsel of the Company is of the view that this amount will eventually be recovered.

	September 30	
	2016	2015
	(Rs. in Million)	(Rs. in Million)
Turnover	9,057	12,213
Net profit	1,673	1,513
Earning per share (Rs.)	4.33	3.92
Dispatch Level	65.86%	49.57%
Capacity Made Available-GWHs	1,215	1,191

	September 30 2016	December 31 2015
	(Rs. in Million)	(Rs. in Million)
Property, Plant and Equipment	14,359	14,802
Net Worth	8,579	7,872
Long term financing	6,863	7,823
Short term borrowings	566	866

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, banks, 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.

For and behalf of the Board of Directors'

Islamabad
October 25, 2016

Salim Saifullah Khan
Chairman

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2016

	Note	Un-audited 30 September 2016 Rupees	Audited 31 December 2015 Rupees
SHARE CAPITAL AND RESERVES			
Share capital		3,864,717,790	3,864,717,790
Unappropriated profit		4,714,272,702	4,006,987,470
		8,578,990,492	7,871,705,260
NON-CURRENT LIABILITIES			
Long term financing	4	5,194,912,766	6,404,276,170
Sub-ordinated loan	5	-	65,965,049
Liabilities against assets subject to finance lease		3,195,266	6,121,178
Deferred liability - gratuity		32,310,514	31,108,775
		5,230,418,546	6,507,471,172
CURRENT LIABILITIES			
Trade and other payables		2,558,382,888	2,656,970,804
Markup accrued		346,657,104	377,846,903
Short term borrowings	6	565,934,519	865,803,310
Current portion of non-current liabilities		2,394,382,746	2,079,671,377
		5,865,357,257	5,980,292,394
		19,674,766,295	20,359,468,826

CONTINGENCIES AND COMMITMENTS

7

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

		Un-audited 30 September 2016 Rupees	Audited 31 December 2015 Rupees
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,359,282,503	14,802,174,440
Long term deposits		2,033,700	1,281,200
		14,361,316,203	14,803,455,640
CURRENT ASSETS			
Stock in trade - HSD		117,570,789	128,210,622
Trade debts	9	4,246,300,534	5,075,065,458
Advances		2,151,997	3,542,327
Trade deposits and short term prepayments		82,171,220	49,694,746
Other receivables		340,062,360	283,352,133
Advance income tax		11,843,233	11,382,439
Short term investments		456,391,546	-
Bank balances		56,958,413	4,765,461
		5,313,450,092	5,556,013,186
		19,674,766,295	20,359,468,826

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Note	For the quarter ended		For the nine months period ended	
		30 September 2016 Rupees	30 September 2015 Rupees	30 September 2016 Rupees	30 September 2015 Rupees
Turnover - net	10	3,153,685,566	4,243,122,083	9,057,170,987	12,213,501,957
Cost of sales	11	(2,404,286,053)	(3,443,863,151)	(6,685,253,750)	(9,758,097,293)
Gross profit		749,399,513	799,258,932	2,371,917,237	2,455,404,664
Administrative expenses		(33,088,946)	(23,031,831)	(101,614,287)	(65,300,682)
Finance cost		(186,428,543)	(274,279,752)	(608,475,475)	(904,547,422)
Other income		4,913,484	745,736	11,637,204	27,601,873
Profit for the period		534,795,508	502,693,085	1,673,464,679	1,513,158,433
Earnings per share- basic and diluted	12	1.38	1.30	4.33	3.92

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	For the quarter ended		For the nine months period ended	
	30 September 2016 Rupees	30 September 2015 Rupees	30 September 2016 Rupees	30 September 2015 Rupees
Profit for the period	534,795,508	502,693,085	1,673,464,679	1,513,158,433
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	534,795,508	502,693,085	1,673,464,679	1,513,158,433

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

		Nine Months Ended	
		30 September 2016 Rupees	30 September 2015 Rupees
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	13	2,694,085,703	2,101,906,096
Staff retirement benefits paid		(4,350,898)	-
Tax paid		(460,794)	(3,934,582)
Finance cost paid		(639,241,324)	(1,005,905,048)
Net cash generated from operating activities		2,050,032,687	1,092,066,466
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(792,532)	(9,003,297)
(Increase) in long term deposits		(752,500)	(769,400)
Decrease in other financial assets		-	319,968,992
Proceeds from disposal of property, plant and equipment		3,324,580	1,275,722
Profit on deposit accounts		542,114	10,294,122
Return on investments - receipt		9,150,911	16,562,015
Net cash generated from investing activities		11,472,573	338,328,154
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(960,373,831)	(1,070,129,552)
Dividend paid		(289,853,834)	(869,561,504)
Short term borrowings - net		(299,868,791)	290,526,780
Increase in / (repayment) of liabilities against assets subject to finance lease		(2,824,306)	5,450,870
Net cash used in financing activities		(1,552,920,762)	(1,643,713,406)
Net (decrease) / increase in cash and cash equivalents		508,584,498	(213,318,786)
Cash and cash equivalents at beginning of the period		4,765,461	213,838,971
Cash and cash equivalents at end of the period		513,349,959	520,185

The annexed notes 1 to 17 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Share Capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 01 January 2015 (Audited)	3,864,717,790	3,104,298,218	6,969,016,008
Total comprehensive income for the period			
Profit for the period	-	1,513,158,433	1,513,158,433
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	1,513,158,433	1,513,158,433
Transactions with owners of the company			
Distributions			
First Interim dividend 2015 Rs. 1.50 per share		(579,707,669)	(579,707,669)
Second Interim dividend 2015 Rs. 0.75 per share		(289,853,835)	(289,853,835)
Balance as at 30 September 2015	3,864,717,790	3,747,895,147	7,612,612,937
Balance as at 01 January 2016 (Audited)	3,864,717,790	4,006,987,470	7,871,705,260
Total comprehensive income for the period			
Profit for the period	-	1,673,464,679	1,673,464,679
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	1,673,464,679	1,673,464,679
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)
Balance as at 30 September 2016	3,864,717,790	4,714,272,702	8,578,990,492

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

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

This condensed interim financial information of the Company for the nine months period ended 30 September, 2016 has 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 where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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 2015. Comparative condensed interim balance sheet is extracted from the audited annual financial statements as of 31 December 2015, whereas comparative 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 are stated from un-audited interim financial statements for the nine months period ended 30 September, 2015.

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 listing regulations of Pakistan Stock Exchange Limited.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 31 December 2015.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

		Un-audited 30 September 2016 Rupees	Audited 31 December 2015 Rupees
4 LONG TERM FINANCING	Note		
Opening balance		7,823,222,915	9,528,681,590
Repayment during the period		(960,373,831)	(1,705,458,675)
		6,862,849,084	7,823,222,915
Current portion of long term financing		(1,667,936,318)	(1,418,946,745)
	4.1	5,194,912,766	6,404,276,170

- 4.1** Terms and conditions of all long term facilities are same as disclosed in annual financial statements for the year ended 31 December 2015.

5 SUB-ORDINATED LOAN-UNSECURED

The terms and conditions of sub-ordinated loan are same as disclosed in the annual financial statements for the year ended 31 December, 2015.

6 SHORT TERM BORROWINGS- SECURED

The terms and conditions of short term borrowing are same as disclosed in the annual financial statements for the year ended 31 December, 2015.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies:

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 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 favour of the Company as there are meritorious grounds to defend the Company's stance in respect of the above mentioned issue.

7.2 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 CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

		Un-audited 30 September 2016 Rupees	Audited 31 December 2015 Rupees
8 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	8.1	14,359,282,503 14,359,282,503	14,946,569,293 14,946,569,293
8.1 Operating fixed assets			
Opening written down value		14,802,174,440	15,353,286,600
Additions during the period		792,532	9,114,652
Written down value of disposals / transfers		(1,380,401)	(813,433)
Depreciation for the period		(441,959,210)	(588,385,880)
Adjustment of exchange (loss) / gain to Stores & Spares & PPE		(344,858)	28,972,501
Closing written down value		14,359,282,503	14,802,174,440

9 TRADE DEBTS - CONSIDERED GOOD

National Transmission and Dispatch Company (NTDC)	9.1	4,246,300,534	5,075,065,458
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9.1 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.

9.2 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. The Company is also under arbitration in London Court of International Arbitration for recovery of this amount.

9.3 Included in trade debts is an amount of Rs. 239.68 million (2015 Rs. 239.68 million) relating to capacity purchase price not acknowledged by NTDC. According to management, the sole reason for this was non-supply 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.

During the period, SPL has filed a petition in Civil Court, Lahore for Decree of the Arbitrator Award and withheld an amount of Rs. 270.66 million from payable to SNGPL. SNGPL has also filed a petition in Civil Court Lahore against such adjustment.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
10 TURNOVER - NET				
Gross Energy Purchase Price (EPP)	2,590,332,319	4,021,863,679	7,364,312,245	11,510,408,696
Less: sales tax	(442,073,978)	(805,985,824)	(1,413,271,961)	(2,471,642,958)
	2,148,258,341	3,215,877,855	5,951,040,284	9,038,765,738
Capacity Purchase Price (CPP)	1,005,427,225	1,027,244,228	3,106,130,703	3,174,736,219
	3,153,685,566	4,243,122,083	9,057,170,987	12,213,501,957
11 COST OF SALES				
Raw material consumed	2,014,249,546	3,027,436,164	5,526,287,800	8,525,475,198
Operation and maintenance	193,751,534	215,711,859	570,381,113	608,336,001
Salaries and other benefits	9,418,632	9,686,725	31,685,409	30,463,412
Electricity charges	6,732,659	16,337,843	17,595,974	41,703,072
Insurance	33,612,790	27,309,333	99,624,924	111,749,953
Depreciation	146,054,430	145,955,556	438,163,289	437,866,668
Office expenses	218,293	787,989	713,317	1,433,163
Travelling, conveyance and entertainment	107,056	194,423	473,880	490,722
Repair and maintenance	52,507	299,800	98,852	343,390
Communication	21,770	45,284	91,880	109,647
Others	66,836	98,175	137,312	126,067
	2,404,286,053	3,443,863,151	6,685,253,750	9,758,097,293
12 EARNINGS PER SHARE				
Profit for the period (Rupees)	534,795,508	502,693,085	1,673,464,679	1,513,158,433
Weighted average number of shares	386,471,779	386,471,779	386,471,779	386,471,779
Earnings per share - Basic (Rupees)	1.38	1.30	4.33	3.92

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

13 CASH GENERATED FROM OPERATIONS

	Nine Months Ended	
	30 September 2016 Rupees	30 September 2015 Rupees
Profit for the period	1,673,464,679	1,513,158,433
<i>Adjustments for non cash items:</i>		
Depreciation	441,959,210	441,153,413
Amortization	-	213,252
Gain on sale of property, plant and equipment	(1,944,179)	(495,316)
Provision for staff retirement benefits - gratuity	5,552,637	4,916,359
Finance cost	608,051,524	893,574,782
Profit on deposit accounts	(542,114)	(10,294,122)
Return on investments	(9,150,911)	(16,562,015)
Operating profit before working capital changes	2,717,390,846	2,825,664,786
Changes in working capital:		
(Increase) / decrease in current assets		
Advances	1,390,330	1,297,851
Trade deposits and prepayments	(32,476,474)	(21,398,173)
Other receivable	(56,710,227)	39,456,214
Stock in trade	10,639,833	126,333,520
Trade debts	828,764,924	(1,968,985,789)
	751,608,386	(1,823,296,377)
(Decrease) / increase in trade and other payables	(774,913,529)	1,099,537,687
Cash generated from operations	2,694,085,703	2,101,906,096

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 2016

14 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 31 December 2015.

	30 September 2016 Rupees	30 September 2015 Rupees
15 RELATED PARTY TRANSACTIONS		
Transactions with Holding Company		
Rent	4,030,056	3,831,737
Dividend	493,181,547	443,863,393
Transactions with associated undertakings due to common directorship		
Expenses incurred on behalf of the company	131,544	312,383
Dividend	325	225
Transaction with key management personnel		
Dividend	35,004	45,005
Remuneration, allowances and benefits	41,984,702	36,119,021

16 GENERAL

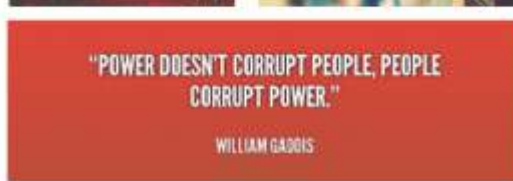
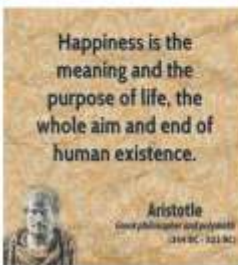
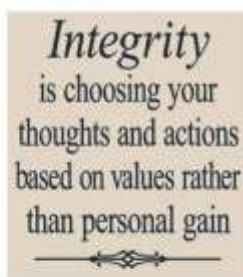
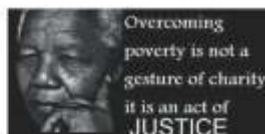
Figures have been rounded off to the nearest rupee.

17 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors in their meeting held on October 25, 2016.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**Saving Energy
is a Bright Idea**

