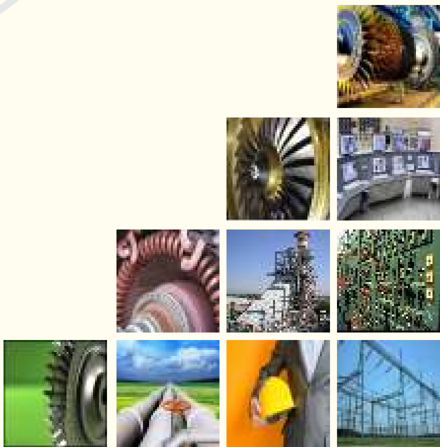
# THIRD QUARTER REPORT
# FOR THE PERIOD ENDED SEPTEMBER 30, 2015

SAIF POWER LIMITED

A Saif Group Company



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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 |

## CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER

Mr. Sohail H Hydari

## COMPANY SECRETARY

Syed Muhammad Asif Makhdoomi

## 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

## 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

## BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Albaraka (Pakistan) Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
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

## 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

## PLANT LOCATION

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

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# DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors is pleased to present the Company's report together with the condensed interim financial information for the quarter and nine months period ending September 30, 2015.

## PRINCIPAL ACTIVITY

SPL owns, operates and maintains a dual fired combined cycle thermal power plant with a gross capacity of 225 MWs based in Qadarabad near Sahiwal, Punjab.

## SUMMARY OF FINANCIAL PERFORMANCE

The Company earned net profit of Rs.1,513.16 million (EPS: Rs.3.92) compared to Rs.1,529.88 million (EPS: Rs.3.96) preceding period.

Included in trade debts is:

(a) An amount of Rs. 477.56 million deducted by the Power Purchaser from the Capacity Purchase Price (CPP) Invoices during year ended December 31, 2012; and

(b) An amount of Rs. 239.68 million relating to capacity purchase price not acknowledged by NTDC during the year ended December 31, 2011.

The Company along with other IPPs had agreed with NTDC to resolve the dispute through dispute resolution mechanism (appointment of expert) under the PPA. The decision of the expert came in August 2015 where he determined that amount mentioned in (a) 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 amount mentioned above in (a) and (b).

## KEY OPERATIONAL AND FINANCIAL DATA

| | 2015 (Rs. in M) | 2014 (Rs. in M) |
|---|---|---|
| Turnover | 12,213 | 16,087 |
| Net Profit | 1,513 | 1,530 |
| Property, Plant and Equipment | 14,947 | 15,354 |
| Net worth | 7,613 | 6,969 |
| Long term financing | 8,459 | 9,529 |
| Short term borrowings | 1,798 | 1,508 |
| Earnings per share | 3.92 | 3.96 |
| Dispatch Level | 49.57% | 51.71% |
| Capacity Made Available-GWHs | 1,337 | 1,338 |

## APPROPRIATION

The board of directors has declared an interim cash dividend of 7.5%.

For and on behalf of the Board of Directors

Islamabad
October 22, 2015

SALIM SAIFULLAH KHAN
Chairman

# CONDENSED INTERIM BALANCE SHEET
# AS AT 30 SEPTEMBER 2015

| | Note | Un-audited 30 September 2015 Rupees | Audited 31 December 2014 Rupees |
|---|---|---|---|
| **SHARE CAPITAL AND RESERVES** | | | |
| Share capital | | **3,864,717,790** | 3,864,717,790 |
| Unappropriated profit | | **3,747,895,147** | 3,104,298,218 |
| | | **7,612,612,937** | 6,969,016,008 |
| **NON-CURRENT LIABILITIES** | | | |
| Long term financing - secured | 4 | **6,778,724,604** | 7,823,222,915 |
| Sub-ordinated loan - unsecured | | **98,158,184** | 186,817,067 |
| Liabilities against assets subject to finance lease - secured | | **8,879,035** | 3,264,359 |
| Deferred liability - gratuity | | **29,108,868** | 24,192,509 |
| | | **6,914,870,691** | 8,037,496,850 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | **2,737,353,143** | 1,637,815,456 |
| Markup accrued | | **407,393,122** | 519,723,387 |
| Short term borrowings - secured | 5 | **1,798,859,379** | 1,508,332,599 |
| Current portion of non-current liabilities | | **2,304,061,039** | 2,214,983,990 |
| | | **7,247,666,683** | 5,880,855,432 |
| | | **21,775,150,311** | 20,887,368,290 |
| **CONTINGENCIES AND COMMITMENTS** | 6 | | |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan. As such these financial statements, as approved by the Board of Directors, have been signed by two Directors.

DIRECTOR

| | Note | Un-audited<br>30 September<br>2015<br>Rupees | Audited<br>31 December<br>2014<br>Rupees |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 7 | **14,946,569,293** | 15,353,286,600 |
| Intangible assets | | **-** | 213,252 |
| Long term deposits | | **1,281,200** | 511,800 |
| | | **14,947,850,493** | 15,354,011,652 |
| **CURRENT ASSETS** | | | |
| Stock in trade - HSD | | **101,830,026** | 228,163,546 |
| Trade debts, secured-considered good | 8 | **6,386,240,341** | 4,417,254,552 |
| Advances - considered good | | **3,867,194** | 5,165,045 |
| Trade deposits and short term prepayments | | **81,001,936** | 59,603,763 |
| Other receivables | | **242,539,384** | 281,995,598 |
| Advance income tax | | **11,300,752** | 7,366,171 |
| Other financial assets | | **-** | 319,968,992 |
| Bank balances | | **520,185** | 213,838,971 |
| | | **6,827,299,818** | 5,533,356,638 |
| | | **21,775,150,311** | 20,887,368,290 |

DIRECTOR

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
# FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

| | | Quarter Ended | | Nine Months Ended | |
|---|---|---|---|---|---|
| | Note | **30 September 2015 Rupees** | 30 September 2014 Rupees | **30 September 2015 Rupees** | 30 September 2014 Rupees |
| Turnover - net | 9 | **4,243,122,083** | 6,733,213,267 | **12,213,501,957** | 16,087,492,817 |
| Cost of sales | 10 | **(3,443,863,151)** | (5,748,732,947) | **(9,758,097,293)** | (13,235,972,977) |
| **Gross profit** | | **799,258,932** | **984,480,320** | **2,455,404,664** | **2,851,519,840** |
| Administrative expenses | | **(23,031,831)** | (18,432,201) | **(65,300,682)** | (58,860,645) |
| Finance cost | | **(274,279,752)** | (426,152,957) | **(904,547,422)** | (1,308,553,892) |
| Other income | | **745,736** | 1,003,199 | **27,601,873** | 45,776,024 |
| **Profit for the period** | | **502,693,085** | **540,898,361** | **1,513,158,433** | 1,529,881,327 |
| Earnings per share- basic and diluted | 11 | **1.30** | **1.40** | **3.92** | 3.96 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

**Statement under section 241(2) of the Companies Ordinance, 1984**

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan. As such these financial statements, as approved by the Board of Directors, have been signed by two Directors.

DIRECTOR

DIRECTOR

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

| | Quarter Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | **30 September 2015 Rupees** | 30 September 2014 Rupees | **30 September 2015 Rupees** | 30 September 2014 Rupees |
| **Profit for the period** | **502,693,085** | 540,898,361 | **1,513,158,433** | 1,529,881,327 |
| **Other comprehensive income for the period** | | | | |
| *Items that will never be reclassified to profit & loss* | | | | |
| Remeasurements of defined benefit liability | - | - | - | (450,522) |
| **Total comprehensive income for the period** | **502,693,085** | 540,898,361 | **1,513,158,433** | **1,529,430,805** |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

DIRECTOR

DIRECTOR

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

| | Note | Nine Months Ended | |
|---|---|---|---|
| | | **30 September 2015 Rupees** | 30 September 2014 Rupees |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| **Cash generated from operations** | **12** | **2,101,906,096** | 2,746,210,751 |
| Income tax paid | | **(3,934,582)** | (360,520) |
| Finance cost paid | | **(1,005,905,048)** | (1,302,201,836) |
| **Net cash generated from operating activities** | | **1,092,066,466** | 1,443,648,395 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | **(9,003,297)** | (4,617,257) |
| Increase in long term deposits | | **(769,400)** | (163,700) |
| Decrease / (Increase) in other financial assets | | **319,968,992** | - |
| Proceeds from disposal of property, plant and equipment | | **1,275,722** | (547,431) |
| Profit on deposit accounts | | **10,294,122** | 1,487,820 |
| Return on investments - receipt | | **16,562,015** | 23,163,262 |
| **Net cash generated from / (used in) investing activities** | | **338,328,154** | 19,322,694 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Repayment of long term financing | | **(1,070,129,552)** | (752,166,192) |
| Interim dividend paid | | **(869,561,504)** | (676,326,558) |
| Short term borrowings - net | | **290,526,780** | (523,407,839) |
| Increase in / (repayment) of liabilities against assets subject to finance lease | | **5,450,870** | 2,354,465 |
| **Net cash (used in) / generated from financing activities** | | **(1,643,713,406)** | (1,949,546,124) |
| **Net (decrease) / increase in cash and cash equivalents** | | **(213,318,786)** | (486,575,035) |
| **Cash and cash equivalents at beginning of the period** | | 213,838,971 | 692,768,964 |
| **Cash and cash equivalents at end of the period** | | **520,185** | 206,193,929 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

DIRECTOR

DIRECTOR

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
# FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

| | Share capital Rupees | Unappropriated profit Rupees | Total Rupees |
|---|---|---|---|
| **Balance at 01 January 2014-audited** | 3,864,717,790 | 2,469,683,830 | 6,334,401,620 |
| **Total comprehensive income for the period** | | | |
| Profit for the period | - | 1,529,881,327 | 1,529,881,327 |
| Other comprehensive income | - | (450,522) | (450, 522) |
| **Total comprehensive income for the period** | - | **1,529,430,805** | **1,529,430,805** |
| **Transactions with owners of the company** | | | |
| **Distributions** | | | |
| First Interim dividend 2014@ Rs. 2 per share | | (772,943,558) | (772,943,558) |
| **Balance at 30 September 2014** | **3,864,717,790** | **3,226,171,077** | **7,090,888,867** |
| **Balance 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** |
| **Transaction with owners of the company** | | | |
| **Distributions** | | | |
| First interim dividend @ Rs.1.5 per share | - | **(579,707,669)** | **(579,707,669)** |
| Second interim dividend @ Rs.0.75 per share | - | **(289,853,835)** | **(289,853,835)** |
| **Balance at 30 September 2015** | **3,864,717,790** | **3,747,895,147** | **7,612,612,937** |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

DIRECTOR

DIRECTOR

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015

## 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. Last year, the Company got itself listed on the Karachi Stock Exchange Limited (the Exchange) through Offer for Sale and since 15 December 2014, its shares are being traded on the Exchange. Pursuant to that offer for sale 12.5% of the Company's share were offered to General Public and Institutional Investors. The principal activities of the Company are to own, operate and maintain 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 (2014: 51.04%).

## 2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the nine months period ended 30 September 2015 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 2014. Comparative condensed interim balance sheet is extracted from the audited annual financial statements as of 31 December 2014, 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 unaudited interim financial statements for the nine months period ended 30 September 2014.

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 Karachi 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 2014.

| 4 LONG TERM FINANCING - SECURED | Note | Un-audited 30 September 2015 Rupees | Audited 31 December 2014 Rupees |
|---|---|---|---|
| Opening balance | | 9,528,681,590 | 10,550,380,317 |
| Repayment during the period | | **(1,070,129,552)** | (1,021,698,727) |
| | | **8,458,552,038** | 9,528,681,590 |
| Current portion of long term financing | | **(1,679,827,434)** | (1,705,458,675) |
| | 4.1 | **6,778,724,604** | 7,823,222,915 |

**4.1** Terms and conditions of all long term facilities are same as disclosed in annual financial statements for the year ended 31 December 2014.

## 5 SHORT TERM BORROWINGS - SECURED

There is no change in terms and conditions of short term borrowings, except that new working capital facilities are obtained during the period from commercial banks with a maximum limit of Rs.1,000 million. These carry mark-up at rate of range of 1 month KIBOR plus 0.75 % to 3 months KIBOR plus 1.5% and are secured by ranking charge on fuel stock, energy purchase price receivables and fixed assets to extent those have to be upgraded to joint pari passu charge with other working capital lendors.

## 6 CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies:

During 2014, the tax authorities raised sales tax demand of Rs. 1,498.51 million by partly 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 remanded back the case to be decided in line with expected judgment of the Honourable High Court in parallel cases. Consequently, at present, the aforesaid tax demand is no more payable. However, in case the matter is eventually resolved against the Company, the tax payment will be claimable under the Power Purchase Agreement.

**6.2** Government of Pakistan, during the period, has promulgated Gas Infrastructure Development Cess (GIDC) Act, 2015 and notified it through gazetted, notification dated 23 May 2015. Accordingly the Company has paid the due amount of cess and received from NTDC under approved tariff.

### 6.3 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 30 September 2015 Rupees | Audited 31 December 2014 Rupees |
|---|---|---|---|
| **7 PROPERTY, PLANT AND EQUIPMENT** | | | |
| Operating Fixed Assets | 7.1 | **14,946,569,293** | 15,353,286,600 |
| | | **14,946,569,293** | 15,353,286,600 |

**7.1 Operating Fixed Assets**

| | | |
|---|---|---|
| *Opening written down value* | **15,353,286,600** | 15,965,603,485 |
| Additions during the period | **9,003,297** | 7,199,186 |
| Written down value of disposals / transfers | **(780,406)** | (198,034) |
| Depreciation for the period | **(441,153,413)** | (587,586,250) |
| Adjustment of exchange (loss) gain to Stores & Spares & PPE | **26,213,215** | (31,731,787) |
| **Closing written down value** | **14,946,569,293** | 15,353,286,600 |

**8 TRADE DEBTS-CONSIDERED GOOD**

| | Note | | |
|---|---|---|---|
| National Transmission and Despatch Company (NTDC) | 8.1 | **6,386,240,341** | 4,417,254,552 |

**8.1** 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.

**8.2** Included in trade debts is an amount of Rs. 477.56 million (2014: 477.56 million) relating to capacity purchase price not acknowledged by National Transmission and Despatch Company (NTDC) as the plant was not fully available for power generation. However, the sole reason for 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.

**8.3** Included in trade debts is an amount of Rs. 239.68 million (2014: Rs. 239.68 million) relating to capacity purchase price not acknowledged by NTDC on the grounds that the plant was not fully available to generate electricity. According to the management, the sole reason for this was non-availability of gas by SNGPL. The Company's management is under discussion with NTDC, SNGPL and the Private Power and Infrastructure Board (PPIB) regarding the aforesaid amount.

The Company along with other IPPs had agreed with NTDC to resolve the dispute through dispute resolution mechanism (appointment of expert) under the PPA. The decision of the expert came in August 2015 where he determined that the amount mentioned in the note 8.2 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 amounts mentioned in note 8.2 and 8.3.

Based on the above facts and experts determination, management is of the view that there are meritorious grounds to support the Company's stance and such amounts are likely to be recovered. Consequently, no provision for the above mentioned amount has been recognized in this condensed interim financial information.

| | Quarter ended | | Nine Months ended | |
|---|---|---|---|---|
| | **30 September 2015 Rupees** | 30 September 2014 Rupees | **30 September 2015 Rupees** | 30 September 2014 Rupees |
| **9 TURNOVER - NET** | | | | |
| Gross Energy Purchase Price (EPP) | **4,021,863,679** | 6,614,501,479 | **11,510,408,696** | 14,852,945,036 |
| Less: sales tax | **(805,985,824)** | (961,081,410) | **(2,471,642,958)** | (2,158,120,216) |
| | **3,215,877,855** | 5,653,420,069 | **9,038,765,738** | 12,694,824,820 |
| Capacity Purchase Price (CPP) | **1,027,244,228** | 1,079,793,198 | **3,174,736,219** | 3,392,667,997 |
| | **4,243,122,083** | **6,733,213,267** | **12,213,501,957** | **16,087,492,817** |
| **10 COST OF SALES** | | | | |
| Raw material consumed | **3,027,436,164** | 5,300,334,732 | **8,525,475,198** | 12,017,682,930 |
| Operation and maintenance | **215,711,859** | 244,513,228 | **608,336,001** | 596,412,517 |
| Salaries and other benefits | **9,686,725** | 8,761,481 | **30,463,412** | 28,414,593 |
| Electricity charges | **16,337,843** | 5,218,540 | **41,703,072** | 26,521,261 |
| Insurance | **27,309,333** | 43,337,844 | **111,749,953** | 127,301,360 |
| Depreciation | **145,955,556** | 145,760,328 | **437,866,668** | 437,382,051 |
| Office expenses | **787,989** | 304,994 | **1,433,163** | 844,930 |
| Traveling, conveyance and entertainment | **194,423** | 398,040 | **490,722** | 653,533 |
| Repair and maintenance | **299,800** | 5,290 | **343,390** | 423,972 |
| Communication | **45,284** | 39,204 | **109,647** | 115,696 |
| Others | **98,175** | 59,266 | **126,067** | 220,134 |
| | **3,443,863,151** | **5,748,732,947** | **9,758,097,293** | **13,235,972,977** |
| **11 EARNING PER SHARE** | | | | |
| Profit for the period (Rupees) | **502,693,085** | 540,898,361 | **1,513,158,433** | 1,529,881,327 |
| Weighted average number of shares | **386,471,779** | 386,471,779 | **386,471,779** | 386,471,779 |
| Earnings per share - Basic (Rupees) | **1.30** | 1.40 | **3.92** | **3.96** |

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

**DIRECTOR** **DIRECTOR**

## 12 CASH GENERATED FROM OPERATIONS

| | Nine Months Ended | |
|---|---|---|
| | **30 September 2015 Rupees** | 30 September 2014 Rupees |
| Profit for the period | **1,513,158,433** | 1,529,881,327 |
| ***Adjustments for non cash items:*** | | |
| Depreciation | **441,153,413** | 440,456,369 |
| Amortization | **213,252** | 686,250 |
| Gain on sale of property, plant and equipment | **(495,316)** | (243,616) |
| Provision for staff retirement benefits - gratuity | **4,916,359** | 4,512,848 |
| Finance cost | **893,574,782** | 1,308,553,891 |
| Profit on deposit accounts | **(10,294,122)** | (1,487,820) |
| Return on investments | **(16,562,015)** | (23,163,262) |
| ***Operating profit before working capital changes*** | **2,825,664,786** | **3,259,195,987** |
| **Changes in working capital:** | | |
| (Increase) / decrease in current assets | | |
| Advances | **1,297,851** | 304,317 |
| Trade deposits and prepayments | **(21,398,173)** | (46,069,671) |
| Other receivable | **39,456,214** | 623,771,898 |
| Stock in trade | **126,333,520** | (121,322,511) |
| Trade debts | **(1,968,985,789)** | (1,272,754,033) |
| | **(1,823,296,377)** | **(816,070,000)** |
| (Decrease) / increase in trade and other payables | **1,099,537,687** | 303,084,764 |
| ***Cash generated from operations*** | **2,101,906,096** | **2,746,210,751** |

DIRECTOR

DIRECTOR

## 13 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 31 December 2014.

## 14 RELATED PARTY TRANSACTIONS

| | Nine Months Ended | |
|---|---|---|
| | **30 September 2015 Rupees** | 30 September 2014 Rupees |
| **Transactions with Holding Company** | | |
| Rent | **3,696,165** | 3,360,114 |
| Dividend | **443,863,393** | 394,545,238 |
| Rent payable | **3,696,165** | 3,360,114 |
| **Transactions with associated undertakings due to common directorship** | | |
| Expenses incurred on behalf of the company | **312,383** | 106,972 |
| Dividend | **225** | 200 |
| **Transaction with key management personnel** | | |
| Dividend | **45,005** | 40,004 |
| Remuneration, allowances and benefits | **36,119,021** | 31,546,000 |

## 15 GENERAL

**15.1** Figures have been rounded off to the nearest rupee.

**15.2** The Board of Directors in their meeting held on October 22, 2015 declared an interim dividend of 7.5%.

## 16 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors in their meeting held on 22 October 2015.

DIRECTOR

DIRECTOR

225 MW COMBINED CYCLE POWER PLANT OF SAIF POWER LIMITED
LOCATED AT QADARABAD, DISTRICT SAHIWAL, PUNJAB, PAKISTAN