



SAIF POWER LIMITED

A Saif Group Company

Condensed Interim Financial Information

For Nine months ended
September 30, 2023

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Board of Directors

Mrs. Hoor Yousafzai	Chairperson
Mr. Javed Saifullah Khan	Director
Mr. Osman Saifullah Khan	Director
Mr. Assad Saifullah Khan	Director
Mr. Rana Muhammad Shafi	Director
Miss. Saima Akbar Khattak	Independent Director
Mr. Rashid Ibrahim	Independent Director

Audit Committee

Mr. Rashid Ibrahim	Chairman
Mr. Osman Saifullah Khan	Member
Mr. Rana Muhammad Shafi	Member

Human Resource and Remuneration Committee

Miss. Saima Akbar Khattak	Chairman
Mrs. Hoor Yousafzai	Member
Mr. Assad Saifullah Khan	Member

Management

Mr. Sohail H. Hydari
Chief Executive Officer

Mr. Hammad Mahmood
Chief Financial Officer

Mr. Ghias Ul Hassan
GM Power Plant

Mr. Waseemullah
Company Secretary

Auditors

Grant Thornton Anjum Rahman
302 B, 3rd Floor, Evacuee Trust Complex,
Aga Khan Road, F-5/1, Islamabad, Pakistan.
Tel: +92 51 2271906, Fax: +92 51 2273874

Legal Advisors

Mr. Muhammad Naeem Amer (MNA) Rehan
Advocate High Court

Registered/ Head Office

1st Floor, Kashmir Commercial Complex,
Fazal-ul-Haq Road Block E, Blue Area,
Islamabad, Pakistan.
Tel: +92-51-2271378-83
Fax: +92-51-2277670
Email: info.spl@saifgroup.com

Website

<http://www.saifpower.com>

Share Registrar

THK Associates (Private) Ltd.
Plot No. 32-C, Jami Commercial
Street 2, DHA Phase VII, Karachi.
Tel: +92-21- 111 000 322,
Email: sfc@thk.com.pk

Banks & Financial Institutions

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
First Habib Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

Plant Location

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

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

The Board of Directors is pleased to present a concise review of Company's financial and operational performance on the condensed interim financial statements for the period ended September 30, 2023.

SUMMARY OF FINANCIAL PERFORMANCE

Turnover of the Company was Rs. 17,602 million as compared to Rs. 20,223 million for the same period last year. Dispatch level was 31.01% as compared to 41.19% during the same period last year. Net loss during the period was Rs. 25 million as against net profit of Rs. 1,860 million for the comparable period of 2022. Loss per share for the period is Rs. 0.07 as compared to earnings per share of Rs. 4.81 during the same period last year.

In the previous years, expenses against overhaul of the plant were charged annually based on the operating hours the plant operated in a year. This was rectified last year in the light of the relevant opinion issued by the Institute of Chartered Accountants of Pakistan and relevant International Accounting Standards during the year ended 31 December 2022. Resultant of which, additional expense charged in the previous years was reversed and was compensated in the current period. During the period, such interval of specific operating hours of plant operation was completed after a period of almost six years, as a result of which the amount of such overhaul was charged to profit and loss account in the current period, which resulted in loss for the period as operation and maintenance cost increased significantly as compared to the comparable period. The expenses charged in the previous years, prior to rectification, had already been reversed last year which have compensated the expenses for this year; there is zero effect in actual.

PENDING ISSUES

(a) In the case against M/s Sui Northern Gas Pipelines Limited (SNGPL), after the arbitration award in Company's favor for an amount of Rs. 270.66 million (disputed amount of Rs. 239.68 million & related costs of Rs. 30.98 million), the Company filed a petition in the Civil Court Lahore to obtain the enforcement Decree in lieu of the Arbitration award. The Company has already adjusted the awarded amount as above against payables to SNGPL.

SNGPL enforced another arbitration saying that Company could not adjust without a decree from the court. The arbitration tribunal has agreed with SNGPL in its award. SNGPL has filed a petition in the Lahore High Court, however, the Company's legal advisors are confident that ultimately the money will be retained by the Company.

(b) In disputes with Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) on account of 'Period Weighing Factors' (PWF) and 'Heat Rate Correction Factor', the Company has proceeded and filed request for arbitration in London Court of International Arbitration during the period. In addition to this, the Company has obtained stay order against deduction on account of 'Heat Rate Correction Factor' from Civil Court, Islamabad. The same issues have also been disclosed in note 13 of these condensed interim financial statements.

KEY OPERATIONAL AND FINANCIAL DATA (STANDALONE)

	Nine months ended	
	September 30, 2023	September 30, 2022 (Re-stated)
	Rupees in Million	
Turnover	17,602	20,223
Net (loss) / profit	(25)	1,860
(Loss) / earnings per share	(0.07)	4.81
Dispatch level	31.01%	41.19%
Capacity made available – GWhs	1,337	1,336
	September 30, 2023	December 31, 2022
	Rupees in Million	
Property, plant and equipment	11,041	11,302
Net worth	12,377	13,867
Short term borrowings	8,919	15,527

KEY FINANCIAL HIGHLIGHTS DATA CONSOLIDATED

	Nine months ended	
	September 30, 2023	September 30, 2022 (Re-stated)
	Rupees in Million	
Turnover	17,602	20,223
Net profit	194	2,089
	September 30, 2023	December 31, 2022
	Rupees in Million	
Property, plant and equipment	11,041	11,302
Net worth	12,832	14,102

RECEIVABLES FROM POWER PURCHASER

The Company's total receivables are Rs. 11.47 billion (December 31, 2022: Rs. 11.65 billion) at the period end.

INVESTMENTS

(a) In 2021, the Board of Directors of the Saif Power Limited approved the proposal for sale of land and other assets of Saif Cement Limited (SCL) which was also approved by the shareholders in the Extra Ordinary General Meeting held on June 26, 2021. During the period, transaction for sale of assets of SCL was completed and related amount have been transferred to SCL's bank account.

The Board of Directors of the Company has recommended voluntary winding up of SCL which has also been approved by the shareholders in their Extra Ordinary General Meeting held on September 11, 2023. Once the winding up is completed, proceeds from liquidation will be used to pay back to the Company and other sponsors according to their investment.

(b) During the period, the Board of Directors of the Company recommended long term loan maximum up to Rs. 1 (one) billion in favor of Saif Textile Mills Limited, an associated company, in compliance with requirements of section 199 of the Companies Act 2017 on as and when required basis. The same was approved by the shareholders in their Extraordinary General Meeting held on September 11, 2023.

EVENT AFTER REPORTING DATE


The Board of Directors of the Company, in its Board Meeting held on October 26, 2023, have approved interim cash dividend of Rs. 1.50 per share.

ACKNOWLEDGEMENTS

Directors of the Company would like to show their appreciation to its customers, suppliers, financial institutions, regulators and to all other stakeholders for their cooperation and support during the period.

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

On behalf of the Board,



Islamabad
October 26, 2023

Hoor Yousafzai
Chairperson

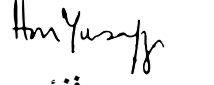
ریورٹنگ کی تاریخ کے بعد کے واقعات:

کمپنی کے بورڈ آف ڈائریکٹرز نے 26 اکتوبر 2023 کو ہونے والی اپنی بورڈ میٹنگ میں 1.50 روپے فی شیئر کے عبوری نقد منافع کی منظوری دی ہے۔

اظہار تشکر:

کمپنی کے ڈائریکٹرز اس مدت کے دوران اپنے صارفین، سپلائرز، مالیاتی اداروں، ریگولیٹرز اور دیگر تمام اسٹیک ہولڈرز کے لیے تعریفی کلمات کہنا چاہتے ہیں جنہوں نے اس مدت کے دوران اپنا تعاون اور حمایت پیش کی۔ کمپنی کے ڈائریکٹرز کمپنی کے ملازمین کی جانب سے مسلسل دی جانے والی خدمات، وفاداری اور کوششوں کے لیے اپنی گہری تعریف کا اظہار کرنا چاہیں گے اور امید کرتے ہیں کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔

بورڈ آف ڈائریکٹرز کی نیابت سے:


حور یوسفزئی

چینرپرسن

اسلام آباد
26 اکتوبر 2023

مالیاتی جھلکیاں: (غیر مستحکم):

نو مہینے کے اختتام پر		
30 ستمبر 2022 ء (Restated)	30 ستمبر 2023 ء	
(روپے ملین میں)		
20,223	17,602	کاروبار
1,860	(25)	خالص (نقصان) / منافع
4.81	(0.07)	(نقصان) / فی شیئر آمدنی
41.19 فیصد	31.01 فیصد	ترسیل کا لیول
1,336	1,337	دستیاب صلاحیت (GWHS)
31 دسمبر 2022 ء		30 ستمبر 2023 ء
(روپے ملین میں)		
11,302	11,041	پراپرٹی، پلانٹ اور آلات
13,867	12,377	نیٹ مالیت
15,527	8,919	مختصر مدت کے قرضوں کے حصول

مالیاتی جھلکیاں: (مستحکم):

نو مہینے کے اختتام پر		
30 ستمبر 2022 ء (Restated)	30 ستمبر 2023 ء	
(روپے ملین میں)		
20,223	17,602	کاروبار
2,089	194	خالص (نقصان) / منافع
31 دسمبر 2022 ء		30 ستمبر 2023 ء
11,302	11,041	پراپرٹی، پلانٹ اور آلات
14,102	12,831	نیٹ مالیت

بجلی خریدار کی طرف سے وصولی:

کمپنی کی کل وصولی مدت کے اختتام پر 11.47 ارب روپے (31 دسمبر 2022: 11.65 ارب روپے) ہیں۔

سرمایہ کاری:

(الف): 2021 میں، کمپنی کے بورڈ آف ڈائریکٹرز نے سیف سیمنٹ لمیٹڈ (SCL) کی اراضی اور دیگر اثاثوں کی فروخت کی تجویز کی منظوری دی جس کی 26 جون 2021 کو ہونے والی غیر معمولی جنرل میٹنگ میں شیئر ہولڈرز نے بھی منظور دی تھی۔ اس مدت کے دوران، SCL کے اثاثوں کی فروخت کا لین دین مکمل ہو گیا ہے اور متعلقہ رقم SCL کے بینک اکاؤنٹ میں منتقل کر دی گئی ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے SCL کو رضاکارانہ طور پر ختم کرنے کی تجویز کی ہے جسے حصص یافتگان نے 11 ستمبر 2023 کو ہونے والی اپنی غیر معمولی جنرل میٹنگ میں بھی منظوری دے دی ہے۔ لیکویڈیشن مکمل ہونے کے بعد، لیکویڈیشن سے حاصل ہونے والی رقم کا استعمال کمپنی اور دیگر سپانسرز کو ان کی سرمایہ کاری کے مطابق ادائیگی کے لیے استعمال کیا جائے گا۔

(ب): اس مدت کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز نے زیادہ سے زیادہ 1 (ایک) ارب روپے تک سیف ٹیکسٹائل ملز لمیٹڈ کمپنی کے حق میں ضرورت کی بنیاد پر طویل مدتی قرض کی سفارش کی۔ جوکہ کمپنیز ایکٹ 2017 کے سیکشن 199 کے تقاضوں کے مطابق ہے۔ حصص یافتگان نے 11 ستمبر 2023 کو غیر معمولی جنرل میٹنگ میں اس کی منظوری دی۔

حصص کنندگان کو ڈائریکٹرز کی جائزہ رپورٹ

30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے لیے

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2023 کو ختم ہونے والی مدت کے لیے ملخص عبوری مالیاتی بیانات پر کمپنی کی مالیاتی اور آپریشنل کارکردگی کا ایک جامع جائزہ پیش کرنے پر خوشی ہے۔

مالیاتی کارکردگی کا خلاصہ:

کمپنی کا کاروبار 17,602 ملین روپے رہا اور اس کے مقابلے میں گزشتہ سال میں اسی مدت کے لیے 20,223 ملین روپے تھا۔ ڈسپیچ کی سطح 31.01 فیصد رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 41.19 فیصد تھی۔ اس مدت میں خالص نقصان 25 ملین روپے رہا جو کہ گزشتہ سال 2022 کی تقابلی مدت میں خالص منافع 1,860 ملین روپے تھا۔ اسی مدت کے لیے فی شیئر نقصان 0.07 روپے رہا جو کہ گزشتہ سال کی اسی مدت میں فی شیئر آمدنی 4.81 روپے تھی۔

پچھلے سالوں میں، پلانٹ کے اوور ہال کے اخراجات ایک سال میں پلانٹ کے چلانے کے اوقات کار کی بنیاد پر سالانہ چارج کیے جاتے تھے۔ اس کی اصلاح گزشتہ سال انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے جاری کردہ متعلقہ رائے اور 31 دسمبر 2022 کو ختم ہونے والے سال کے دوران متعلقہ بین الاقوامی اکاؤنٹنگ معیارات کی روشنی میں کی گئی تھی۔ چنانچہ اس مدت کے دوران، پلانٹ کے آپریشن کے مخصوص اوقات کار کا وقفہ تقریباً چھ سال کے عرصے کے بعد مکمل ہوا، جس کے نتیجے میں اس طرح کے اوور ہال کی رقم موجودہ مدت میں منافع اور نقصان کے کھاتے میں چارج کی گئی، جس کے نتیجے میں نقصان ہوا۔ آپریشن اور دیکھ بھال کی لاگت کے طور پر مدت موازنہ مدت کے مقابلے میں نمایاں طور پر بڑھ گئی۔ پچھلے سالوں میں وصول کیے گئے اخراجات، اصلاح سے پہلے، پچھلے سال پہلے ہی الٹ کر دیے گئے تھے جس سے اس سال کے اخراجات کی تلافی ہو گئی ہے۔ جس کا اثر اصل میں صفر ہے۔

زیر التواء مسائل:

میسرز سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے خلاف مقدمے میں، کمپنی کے حق میں ثالثی کے فیصلے کے بعد 270.66 ملین روپے کی رقم (متنازعہ رقم 239.68 ملین روپے اور متعلقہ اخراجات 30.98 ملین روپے)، کمپنی نے ثالثی کے ایوارڈ کے عوض قابل نفاذ حکم نامہ حاصل کرنے کے لیے سول کورٹ لاہور میں درخواست بھی درج کر رکھی ہے۔ کمپنی نے سوئی ناردرن گیس پائپ لائن کو قابل ادا رقوم کے معاملے میں یہ رقم پہلے ہی ایڈجسٹ کر دی ہے۔

SNGPL نے ایک اور ثالثی نافذ کرتے ہوئے کہا کہ کمپنی عدالت کے حکم نامے کے بغیر یہ رقم ایڈجسٹ نہیں کر سکتی۔ ثالثی ٹریبونل نے اپنے ایوارڈ میں SNGPL سے اتفاق کیا ہے۔ SNGPL نے لاہور ہائی کورٹ میں ایک درخواست دائر کی ہے، تاہم کمپنی کے قانونی مشیروں کو یقین ہے کہ بالآخر رقم کمپنی کے پاس ہی رہے گی۔

سنٹرل پاور پرجیزنگ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) کے ساتھ 'پیریڈ وینگ فیکٹرز' (PWF) اور 'ہیٹ ریٹ کریکشن فیکٹر' کی وجہ سے تنازعات میں، کمپنی نے آگے بڑھ کر بین الاقوامی ثالثی کی لندن کورٹ میں ثالثی کی درخواست دائر کی ہے۔ مدت کے دوران اس کے علاوہ، کمپنی نے سول کورٹ، اسلام آباد سے 'ہیٹ ریٹ کریکشن فیکٹر' کی وجہ سے کٹوتی کے خلاف حکم امتناعی حاصل کیا ہے۔ ان ہی مسائل کا وضاحت ان عبوری مالیاتی بیانات کے نوٹ 13 میں بھی کیا گیا ہے۔

**UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS**
FOR THE THIRD QUARTER ENDED
SEPTEMBER 30, 2023

SAIF POWER LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
(Rupees)			
Share capital and reserves			
Share capital	5	3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		8,293,500,050	9,001,248,625
Maintenance reserve	6	218,799,114	1,001,140,025
Total equity		12,377,016,954	13,867,106,440
Liabilities			
Subordinated loan	7	83,223,016	260,866,789
Lease liabilities		16,267,989	21,093,221
Non-current liabilities		99,491,005	281,960,010
Trade and other payables		598,499,262	308,712,514
Short term borrowings		8,919,274,893	15,526,546,088
Current portion of non-current liabilities		758,689,059	605,195,974
Markup accrued	8	1,482,918,598	1,054,652,926
Unclaimed and unpaid dividend	9	348,781,357	388,752,232
Current liabilities		12,108,163,169	17,883,859,734
Total liabilities		12,207,654,174	18,165,819,744
Total equity and liabilities		24,584,671,128	32,032,926,184
Contingencies and commitments			
	10		
Assets			
Property, plant and equipment	11	11,040,943,519	11,302,149,549
Right of use assets		33,335,250	44,570,395
Long term loan	12	8,015,497	-
Non-current assets		11,082,294,266	11,346,719,944
Stock in trade - HSD		399,899,816	400,211,550
Trade debts	13	11,472,116,326	11,647,458,624
Other receivables		578,208,234	505,647,636
Advances		3,440,935	1,525,773
Advance income tax		9,125,231	8,072,924
Trade deposits and prepayments		222,064,209	88,070,192
Short term investments		25,894,751	7,242,386,646
Bank balances		2,448,720	3,654,255
		12,713,198,222	19,897,027,600
Assets classified as held for sale	14	789,178,640	789,178,640
Current assets		13,502,376,862	20,686,206,240
Total assets		24,584,671,128	32,032,926,184

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	Three months ended		Nine months ended	
		September 30, 2023	September 30, 2022 (Re-stated)	September 30, 2023	September 30, 2022 (Re-stated)
(Rupees)					
Turnover - net	15	7,392,666,035	8,293,863,111	17,602,393,038	20,223,006,700
Cost of sales	16	(6,008,578,797)	(6,968,950,311)	(15,647,754,082)	(17,217,490,427)
Gross profit		1,384,087,238	1,324,912,800	1,954,638,956	3,005,516,273
Other income		1,497,017	754,451	10,604,922	4,718,402
Administrative expenses		(59,175,564)	(48,752,179)	(164,113,866)	(137,047,612)
Finance cost		(609,319,038)	(376,202,380)	(1,826,491,456)	(1,012,787,450)
Net (loss) / profit for the period		717,089,653	900,712,692	(25,361,444)	1,860,399,613
(Loss)/earnings per share - basic and diluted		1.86	2.33	(0.07)	4.81

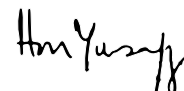
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022 (Re-stated)	September 30, 2023	September 30, 2022 (Re-stated)
(Loss) / profit for the period	717,089,653	900,712,692	(25,361,444)	1,860,399,613
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	717,089,653	900,712,692	(25,361,444)	1,860,399,613

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023	September 30, 2022 (Re-stated)
		(Rupees)	
Cash flows from operating activities			
(Loss) / profit for the period		(25,361,444)	1,860,399,613
Adjustments for non-cash income and expenses:			
Provision for staff retirement benefits - gratuity		8,437,086	8,554,035
Depreciation - property, plant and equipment	11	475,445,672	462,816,586
Depreciation - right of use assets		11,235,145	10,656,817
Finance cost		1,826,491,456	1,196,826,519
Gain on disposal of property, plant and equipment		(63,000)	(359,145)
Profit on deposit accounts		(772,178)	(1,079,911)
		2,295,412,737	3,537,814,514
Changes in working capital:			
Stock in Trade		311,734	(154,436,268)
Trade debts		175,342,298	832,730,763
Other receivable		(72,560,598)	38,031,736
Advances		(1,915,162)	183,572
Trade deposits and prepayments		(133,994,017)	(265,619,090)
Trade and other payables		289,786,748	(43,788,848)
Cash generated from operations		2,552,383,740	3,944,916,379
Income taxes paid		(1,052,307)	(1,081,154)
Finance cost paid		(1,396,990,448)	(1,119,076,184)
Staff retirement benefits paid		(6,805,257)	(12,654,746)
Net cash generated from operating activities		1,147,535,728	2,812,104,295
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	424,000	(1,187,190)
Increase in long term deposits		-	(1,912,850)
Proceeds from sale of property, plant and equipment		-	470,727
Long term loan		(8,015,497)	-
Insurance claim received		63,000	-
Profit on deposit accounts		772,178	1,079,911
Net cash generated from investing activities		(6,756,319)	(1,549,402)
Cash flows from financing activities			
Repayment of long term financing	7	(230,558,562)	(165,539,902)
Dividend paid		(1,504,698,917)	(3,776,419,717)
Short term borrowings - net		(6,607,271,195)	145,573,323
Lease liabilities paid		(15,948,165)	(10,962,143)
Net cash used in financing activities		(8,358,476,839)	(3,807,348,439)
Net (decrease) / increase in cash and cash equivalents		(7,217,697,430)	(996,793,546)
Cash and cash equivalents at beginning of the period		7,246,040,901	1,017,051,048
Cash and cash equivalents at end of the period		28,343,471	20,257,502

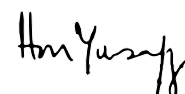
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Chief Financial Officer



Chief Executive Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Share capital	Unappropriated profit-revenue reserve	Maintenance reserve	Total equity
	(Rupees)			
Balance as at January 1, 2022 as previously reported	3,864,717,790	12,071,615,237	-	15,936,333,027
Impact of restatement (Note - 6)	-	615,897,073	-	615,897,073
Balance as at January 1, 2022 - restated	3,864,717,790	12,687,512,310	-	16,552,230,100
Profit for the period	-	1,860,399,613	-	1,860,399,613
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	1,860,399,613	-	1,860,399,613
Transaction with owners of the Company				
Distributions				
2nd interim dividend - 2021 @ Rs. 5.0 per share	-	(1,932,358,895)	-	(1,932,358,895)
Final dividend - 2021 @ Re. 1.0 per share	-	(386,471,779)	-	(386,471,779)
1st interim dividend - 2022 @ Rs. 4.5 per share	-	(1,739,123,006)	-	(1,739,123,006)
	-	(4,057,953,680)	-	(4,057,953,680)
Balance as at September 30, 2022 (Un- audited) - restated	<u>3,864,717,790</u>	<u>10,489,958,243</u>	<u>-</u>	<u>14,354,676,033</u>
Balance as at January 1, 2023 (Audited)	3,864,717,790	9,001,248,625	1,001,140,025	13,867,106,440
Loss for the period	-	(25,361,444)	-	(25,361,444)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	-	(25,361,444)	-	(25,361,444)
Transaction with owners of the Company				
Distributions				
Final dividend - 2022 @ Rs. 2.50 per share	-	(966,179,448)	-	(966,179,448)
1st interim dividend - 2023 @ Rs. 1.29 per share	-	(498,548,594)	-	(498,548,594)
	-	(1,464,728,042)	-	(1,464,728,042)
Transfer from unappropriated profits to maintenance reserve	-	(499,009,785)	499,009,785	-
Charged to unappropriated profits from maintenance reserve	-	1,281,350,696	(1,281,350,696)	-
	-	782,340,911	(782,340,911)	-
Balance as at September 30, 2023 (Un- audited)	<u>3,864,717,790</u>	<u>8,293,500,050</u>	<u>218,799,114</u>	<u>12,377,016,954</u>

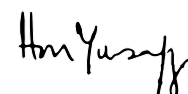
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

1 REPORTING ENTITY

Saif Power Limited (“the Company”) was incorporated in Pakistan on November 11, 2004 as a public limited company under the repealed Companies Ordinance, 1984 (which has now been replaced by the Companies Act, 2017) and commenced operations from April 30, 2010. 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) and sell the electricity to Central Power Purchasing Agency Guarantee Limited (CPPA-G).

2 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the nine months period ended September 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements do not include all the information as disclosed in the annual financial statements prepared in accordance with the accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant in understanding of the changes in the Company’s financial positing and performance since the last annual financial statements. These unconsolidated condensed financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2022.

These unconsolidated condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3.1 Exemptions from applicability of accounting and reporting requirements

3.1.1 IFRS 9 “Financial Instruments”

Securities and Exchange Commission of Pakistan (“SECP”) through S.R.O 67(I)/2023 dated January 20, 2023 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS-9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2024 provided that such companies shall follow relevant requirements of IAS-39 ‘Financial Instruments Recognition and measurement’ in respect of above referred financial assets during the exemption period.

3.1.2 IFRS 16 “Leases”

Control of the Company’s plant due to purchase of total output by CPPA-G and other arrangement under the Power Purchase Agreement (PPA) was classified as a lease under IFRIC 4 “Determining whether an Arrangement Contains a Lease” which due to exemption available to the Company were not accounted for as a lease in prior years. After applicability of IFRS-16, the Company’s arrangement with CPPA-G falls under the definition of a lease as defined in IFRS-16, however, the SECP through S.R.O 986(1)/2019 dated September 02, 2019 has extended the earlier exemption from IFRIC-4 to all companies, which have entered into power purchase arrangements before January 01, 2019. The Company signed its PPA with CPPA-G on April 30, 2007, accordingly, requirement of lease accounting relating to the Company’s arrangement with CPPA-G are not applicable to the Company.

4 SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company’s audited financial statements for the year ended December 31, 2022.

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Estimates and judgements are continually evaluated and are based on historic experience including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those used in the preparation of the Company’s audited financial statements for the year ended December 31, 2022.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
5 SHARE CAPITAL		
5.1 Authorized share capital		
405,000,000 (December 31, 2022: 405,000,000) ordinary shares of Rs.10 each	4,050,000,000	4,050,000,000
5.2 Issued, subscribed and paid-up capital		
386,471,779 (December 31, 2022: 386,471,779) ordinary shares of Rs.10 each fully paid in cash	3,864,717,790	3,864,717,790

5.3 Saif Holdings Limited holds 88,909,517 i.e., 23.01% (December 31, 2022: 88,909,517 i.e., 23.01%) ordinary shares of Rs.10 each at the reporting date. Further, 44,425,774 (December 31, 2022: 44,384,774) and 65,693,980 (December 31, 2022: 65,694,980) ordinary shares of Rs. 10 each are held by directors and related parties respectively. Orastar Limited holds 66,022,504 (December 31, 2022: 66,022,504) ordinary shares of the Company.

6 MAINTENANCE RESERVE

As per terms and conditions of operation and maintenance contract, the Company is obliged for overhaul of the complex which are due at certain intervals based on plant operations determined in terms of factored fired hours (operating hours). An equivalent amount of such overhaul is calculated on the basis of operating hours as mentioned above and such amount is appropriated to maintenance reserve through statement of changes in equity. After completion of specific operating hours, the amount is transferred from maintenance reserve and the same amount is charged to cost of sales.

Change of treatment (Restatement):

In prior years, overhaul expense was accrued and charged annually to profit and loss on the basis of operating hours the plant operated in a particular year. This treatment was rectified last year in the light of the relevant opinion issued by the Institute of Chartered Accountants of Pakistan and relevant International Accounting Standards, which was also explained in note 3.17 in the annual financial statements for the year ended 31 December 2022. During the period, such specified operating hours of plant operation are completed after a period of almost six years, as a result of which an amount of overhaul of Rs. 1,281 million is charged to the head 'Operation and Maintenance' in 'Cost of Sales' in current period. This resulted in loss for the period as operation and maintenance cost for the period increased manifold as compared to prior comparable period.

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
7 SUBORDINATED LOAN - UNSECURED		
Balance at January 01	847,818,615	869,505,348
Exchange loss capitalised during the period / year	213,815,642	208,323,050
Repayment during the period / year	(230,558,562)	(230,009,783)
	831,075,695	847,818,615
Current portion of subordinated loan	(747,852,679)	(586,951,826)
Balance at September 30 / December 31	83,223,016	260,866,789

7.1 There is no change in terms and conditions of the above loan as disclosed in financial statements for the year ended December 31, 2022.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
8 MARKUP ACCRUED		
Markup on sub-ordinated loan	551,201,255	699,600,170
Markup on short term financing	931,717,343	355,052,756
	<u>1,482,918,598</u>	<u>1,054,652,926</u>

9 UNCLAIMED AND UNPAID DIVIDEND

This includes Rs. 323 million (December 31, 2022: Rs. 366 million) payable to non-resident shareholder at the period end due to pending approval of State bank of Pakistan for remittance of dividend outside Pakistan.

10 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Company for the year ended December 31, 2022 except for the following:

- In respect of Sui Northern Gas Pipeline Limited (SNGPL)'s claim on account of late payment by the Company against invoices of Regasified Liquefied Natural Gas (RLNG) has increased to Rs. 123.73 million (December 31, 2022: Rs. 114.48 million).
- In respect of Tax period July 2021 to June 2022, order was issued by Officer Inland Revenue against the Company raising tax demand of Rs. 136 million alongwith default surcharge of Rs. 16 million and penalty of Rs. 7 million under Sales Tax Act, 1990. Against the said order, the Company has filed an appeal with Commissioner (Appeals) which is pending adjudication.

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
11 PROPERTY, PLANT AND EQUIPMENT		
Balance at January 01	11,302,149,549	11,710,519,365
Additions during the period / year	424,000	2,483,009
Net book value of assets disposed off	-	(131,379)
Depreciation for the period / year	(475,445,672)	(619,044,496)
Capitalization of exchange loss	213,815,642	208,323,050
Balance at September 30 / December 31	<u>11,040,943,519</u>	<u>11,302,149,549</u>
12 LONG TERM LOAN		
Balance at 01 January	-	-
Amount disbursed during the period / year	8,000,000	-
Interest accrued on loan	15,497	-
Amount repaid during the period / year	-	-
Balance at September 30 / December 31	<u>8,015,497</u>	<u>-</u>

Shareholders of the Company in their Extra Ordinary General Meeting held on 11 September 2023 approved long term loan maximum up to Rs. 1 billion in favor of Saif Textile Limited, an associated company. The long-term loan is approved for a period of 9 (nine) years including 2 (two) years grace period. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, which ever is higher payable in quarterly installments. Principal shall be repaid after end of grace period in equal quarterly installments.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

13 TRADE DEBTS	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
Central Power Purchasing Agency-Guarantee (CPPA-G)	11,472,116,326	11,647,458,624

Apart from the information already disclosed in financial statements for the year ended December 31, 2022, following are the major event or transaction pertaining to trade debts:

- trade debts include unbilled receivable amount of Rs. 1.24 billion (December 31, 2022: Rs. 1.336 billion) at the period end.
- in respect of disputes with CPPA-G with regards to amounts withheld by CPPA-G relating to fuel cost component of energy purchase price invoices on account of incorrect application of heat rate correction factor and incorrect application of Period Weighing Factor (PWF) on capacity purchase price invoices, the Company has proceeded and filed request for arbitration in London Court of International Arbitration during the period.

14 ASSETS CLASSIFIED AS HELD FOR SALE

The Board of Directors of the Company approved the proposal for sale of land and other assets of Saif Cement Limited (SCL) in year 2021 and same was approved by the shareholders in the extra ordinary general meeting held on June 26, 2021. Sale transaction of major assets of SCL has been completed and sale proceeds has been transferred to SCL's bank account. Subsequent to period end, the Board of Directors of the Company has also recommended the voluntary winding up of SCL. Once liquidation is completed after approval of shareholders, proceeds from liquidation will be used to payback to the Company and other sponsors according to their investment.

15 TURNOVER - NET	Un-audited Three months ended		Un-audited Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees)			
Gross Energy Purchase Price	6,662,708,521	7,788,507,921	15,504,250,571	19,205,741,680
Less: Sales tax	(1,010,153,532)	(1,131,663,544)	(2,353,694,315)	(2,658,031,175)
	5,652,554,989	6,656,844,377	13,150,556,256	16,547,710,505
Capacity Purchase Price	1,740,111,046	1,637,018,734	4,451,836,782	3,675,296,195
	7,392,666,035	8,293,863,111	17,602,393,038	20,223,006,700
16 COST OF SALES				
Raw material consumed	5,300,017,282	6,409,438,890	12,440,627,017	15,728,704,423
Operation and maintenance	418,614,942	314,621,620	2,366,868,945	764,199,477
Salaries and other benefits	20,039,171	18,038,556	66,277,327	59,597,501
Electricity charges	17,624,236	8,205,088	57,730,748	32,543,211
Insurance expense	91,538,676	62,134,236	236,413,272	167,088,766
Depreciation	158,844,274	154,992,633	474,236,323	461,825,088
Office expenses	953,050	684,839	2,738,053	1,785,279
Travelling, conveyance and entertainment	919,405	776,037	2,642,009	1,598,417
Repair and maintenance	2,500	32,850	145,385	76,545
Communication	25,261	25,562	75,003	71,720
	6,008,578,797	6,968,950,311	15,647,754,082	17,217,490,427

17 CASH AND CASH EQUIVALENTS	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees)	
Short term investments	25,894,751	18,088,475
Bank balances	2,448,720	2,169,027
Cash and cash equivalents in the statement of cash flows	28,343,471	20,257,502

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

18 FAIR VALUE MEASUREMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2022. There is no change in the nature and corresponding instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2022.

The carrying amounts of all financial assets and financial liabilities are estimated to approximate their fair values.

19 RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the period, other than those which have been disclosed in note 7, 8 and 9 of these unconsolidated condensed interim financial statements, are as follows:

	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees)	
Transactions with related parties		
Dividend paid during the period:		
- Saif Holdings Limited, an associated company	336,967,070	1,210,220,399
- Saif Textile Mills Limited, an associated company	379	1,050
- Directors of the Company	168,371,185	352,460,583
- Other related parties of the Company	248,982,308	515,718,566
Donations paid during the period:		
- Akbar Kare Institution	6,300,000	5,100,000
- Wadaan Foundation	1,665,000	1,665,000
- Teach for Pakistan	-	500,000
Loan disbursed / interest accrued during the period:		
- Saif Textile Mills Limited, an associated company	8,015,497	-
Meeting Fees paid during the period:		
- Directors of the Company	875,000	950,000
Remunerations paid during the period:		
- Key management personnel of the Company	65,556,049	58,476,682
Other transaction:		
- Remuneration and reimbursable expenses	21,658,237	20,752,779
- Contribution to Saif Power Limited - Staff Gratuity Fund	6,805,257	12,654,746
	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
Balances with related parties		
Payable to Saif Power Limited - Staff Gratuity Fund	8,337,086	6,805,257

20 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company, in its Board Meeting held on October 26, 2023 have approved interim cash dividend of Rs 1.50 per share.

21 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These unconsolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors in their meeting held on October 26, 2023.



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE THIRD QUARTER ENDED
SEPTEMBER 30, 2023

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
(Rupees)			
Share Capital and Reserves			
Share capital	5	3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		8,705,617,106	9,199,811,049
Maintenance reserve	6	218,799,114	1,001,140,025
Equity attributable to the owners of the Company		12,789,134,010	14,065,668,864
Non controlling interest		42,793,625	36,608,196
Total equity		12,831,927,635	14,102,277,060
Liabilities			
Subordinated loan	7	83,223,016	260,866,789
Lease liabilities		16,267,989	21,093,221
Non-current liabilities		99,491,005	281,960,010
Trade and other payables		598,499,262	308,712,514
Short term borrowings		8,919,274,893	15,526,546,088
Current portion of non-current liabilities		758,689,059	605,195,974
Markup accrued	8	1,482,918,598	1,054,652,926
Unclaimed and unpaid dividend	9	348,781,357	388,752,232
		12,108,163,169	17,883,859,734
Liabilities directly associated with asset held for sale	10	74,469,092	91,711,296
Current liabilities		12,182,632,261	17,975,571,030
Total liabilities		12,282,123,266	18,257,531,040
Total equity and liabilities		25,114,050,901	32,359,808,100
Contingencies and commitments			
Assets			
Property, plant and equipment	12	11,040,943,519	11,302,149,549
Right of use assets		33,335,250	44,570,395
Long term loan	13	8,015,497	-
Non-current assets		11,082,294,266	11,346,719,944
Stock in trade - HSD		399,899,817	400,211,550
Trade debts	14	11,472,116,326	11,647,458,624
Other receivables		578,208,234	505,647,636
Advances		3,440,935	1,525,773
Advance income tax		9,125,231	8,072,924
Trade deposits and prepayments		222,064,209	88,070,192
Short term investments		25,894,751	7,242,386,646
Bank balances		2,448,720	3,654,255
		12,713,198,223	19,897,027,600
Asset held for sale	10	1,318,558,412	1,116,060,556
Current assets		14,031,756,635	21,013,088,156
Total assets		25,114,050,901	32,359,808,100

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	Three months ended		Nine months ended	
		September 30, 2023	September 30, 2022 (Re-stated)	September 30, 2023	September 30, 2022 (Re-stated)
(Rupees)					
Continuing operations					
Turnover - net	15	7,392,666,035	8,293,863,111	17,602,393,038	20,223,006,700
Cost of sales	16	(6,008,578,797)	(6,968,950,311)	(15,647,754,082)	(17,217,490,427)
Gross profit		1,384,087,238	1,324,912,800	1,954,638,956	3,005,516,273
Other income		1,497,017	754,451	10,604,922	4,718,402
Administrative expenses		(59,175,564)	(48,752,179)	(164,113,866)	(137,047,612)
Finance cost		(609,319,038)	(376,202,380)	(1,826,491,456)	(1,012,787,450)
Loss / (profit) for the period		717,089,653	900,712,692	(25,361,444)	1,860,399,613
Discontinued operations					
Profit / (loss) for the period		47,942,444	9,719,951	219,740,061	229,007,947
(Loss) / profit for the period		765,032,097	910,432,643	194,378,617	2,089,407,560
(Loss) / profit attributable to:					
<i>(Loss) / profit from continuing operations</i>					
- Owners of the Company		717,089,653	900,712,692	(25,361,444)	1,860,399,613
<i>(Loss) / profit from discontinued operations</i>					
- Owners of the Company		46,209,585	9,368,627	213,554,632	220,717,578
- Non controlling interest		1,732,859	351,324	6,185,429	8,290,369
		47,942,444	9,719,951	219,740,061	229,007,947
		765,032,097	910,432,643	194,378,617	2,089,407,560
(Loss)/earnings per share - basic and diluted					
- from continuing operations		1.85	2.33	(0.07)	4.81
- from discontinued operations		0.13	0.03	0.57	0.60
		1.98	2.36	0.50	5.41

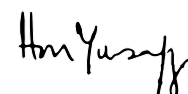
The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022 (Re-stated)	September 30, 2023	September 30, 2022 (Re-stated)
	(Rupees)			
(Loss) / profit for the period	717,089,653	900,712,692	(25,361,444)	1,860,399,613
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	717,089,653	900,712,692	(25,361,444)	1,860,399,613
Total comprehensive (loss) / income attributable to:				
- Owners of the Company	763,299,238	910,081,319	188,193,188	2,081,117,191
- Non-controlling interests	1,732,859	351,324	6,185,429	8,290,369
	765,032,097	910,432,643	194,378,617	2,089,407,560
Total comprehensive (loss) / income arises from:				
- Continuing operations	717,089,653	900,712,692	(25,361,444)	1,860,399,613
- Discontinued operations	47,942,444	9,719,951	219,740,061	229,007,947
	765,032,097	910,432,643	194,378,617	2,089,407,560

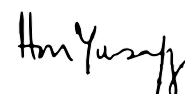
The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022 (Restated)
Note	(Rupees)	
Cash flows from operating activities		
(Loss) / profit for the period	(25,361,444)	1,860,399,613
Adjustments for non-cash income and expenses:		
Provision for staff retirement benefits - gratuity	8,437,086	8,554,035
Depreciation - property, plant and equipment	475,445,672	462,816,586
Depreciation - right of use assets	11,235,145	10,656,817
Finance cost	1,826,491,456	1,200,105,865
Gain on disposal of property, plant and equipment	(63,000)	(359,145)
Profit on deposit accounts	(772,178)	(4,359,257)
	2,295,412,737	3,537,814,514
Changes in working capital:		
Stock in Trade	311,734	(154,436,268)
Trade debts	175,342,298	832,730,763
Other receivable	(72,560,598)	38,031,736
Advances	(1,915,162)	183,572
Trade deposits and prepayments	(133,994,017)	(265,619,090)
Trade and other payables	289,786,748	(43,788,848)
Discontinued operations	(22,930,063)	(15,325,983)
Cash generated from operations	2,529,453,677	3,929,590,396
Income taxes paid	(1,052,307)	(1,081,154)
Finance cost paid	(1,396,990,448)	(1,119,076,184)
Staff retirement benefits paid	(6,805,257)	(12,654,746)
Net cash generated from operating activities	1,124,605,665	2,796,778,312
Cash flows from investing activities		
Acquisition of property, plant and equipment	424,000	(1,187,190)
Increase in long term deposits	-	(1,912,850)
Proceeds from sale of property, plant and equipment	-	470,727
Long term loan	(8,015,497)	-
Insurance claim received	63,000	-
Profit on deposit accounts	772,178	1,079,911
Discontinued operations	654,106,975	(15,152,191)
Net cash generated from investing activities	647,350,656	(16,701,593)
Cash flows from financing activities		
Repayment of long term financing	(230,558,562)	(165,539,902)
Dividend paid	(1,504,698,917)	(3,776,419,717)
Short term borrowings - net	(6,607,271,195)	145,573,323
Lease liabilities paid	(15,948,165)	(10,962,143)
Discontinued operations	(42,710,884)	28,913,747
Net cash used in financing activities	(8,401,187,723)	(3,778,434,692)
Net (decrease) / increase in cash and cash equivalents	(6,629,231,402)	(998,357,973)
Cash and cash equivalents at beginning of the period	7,908,335,920	1,017,051,048
Cash and cash equivalents at end of the period	1,279,104,518	18,693,075

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)


FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Share capital	Unappropriated profit-revenue reserve	Maintenance reserve	Non-Controlling interest	Total equity
	(Rupees)				
Balance as at January 1, 2022 - as previously reported	3,864,717,790	12,676,860,684	-	28,762,669	16,570,341,143
Impact of restatement (Note - 6)	-	615,931,992	-	-	615,931,992
Balance as at January 1, 2022 - restated	3,864,717,790	13,292,792,676	-	28,762,669	17,186,273,135
Profit for the period	-	2,081,117,191	-	8,290,369	2,089,407,560
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	2,081,117,191	-	8,290,369	2,089,407,560
Transaction with owners of the Company					
Distributions					
2nd interim dividend - 2021 @ Rs. 5.0 per share	-	(1,932,358,895)	-	-	(1,932,358,895)
Final dividend - 2021 @ Re. 1.0 per share	-	(386,471,779)	-	-	(386,471,779)
1st interim dividend - 2022 @ Rs. 4.5 per share	-	(1,739,123,006)	-	-	(1,739,123,006)
	-	(4,057,953,680)	-	-	(4,057,953,680)
Balance as at September 30, 2022 (Un- audited) - restated	3,864,717,790	11,315,956,187	-	37,053,038	15,217,727,015
Balance as at January 1, 2023 (Audited)	3,864,717,790	9,199,811,049	1,001,140,025	36,608,196	14,102,277,060
Profit for the period	-	188,193,188	-	6,185,429	194,378,617
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	188,193,188	-	6,185,429	194,378,617
Transaction with owners of the Company					
Distributions					
Final dividend - 2022 @ Rs. 2.50 per share	-	(966,179,448)	-	-	(966,179,448)
1st interim dividend - 2023 @ Rs. 1.29 per share	-	(498,548,594)	-	-	(498,548,594)
	-	(1,464,728,042)	-	-	(1,464,728,042)
Transfer from unappropriated profits to maintenance reserves	-	(499,009,785)	499,009,785	-	-
Charged to unappropriated profits from maintenance reserves	-	1,281,350,696	(1,281,350,696)	-	-
	-	782,340,911	(782,340,911)	-	-
Balance as at September 30, 2023 (Un- audited)	3,864,717,790	8,705,617,106	218,799,114	42,793,625	12,831,927,635

The annexed notes 1 to 21 form an integral part of these condensed interim consolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

1 REPORTING ENTITY

The Group consists of Saif Power Limited (the Company) and Saif Cement Limited (the Subsidiary Company).

Parent:

Saif Power Limited (“the Company”) was incorporated in Pakistan on November 11, 2004 as a public limited company under the repealed Companies Ordinance, 1984 (which has now been replaced by the Companies Act, 2017) and commenced operations from April 30, 2010. 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) and sell the electricity to Central Power Purchasing Agency Guarantee Limited (CPPA-G).

Subsidiary:

The Subsidiary Company is a public limited company incorporated in Pakistan on January 13, 2017 under the repealed Companies Ordinance, 1984 (which has now been replaced by the Companies Act, 2017).

The Company holds 96.39% shares (2022: 96.39%) in Subsidiary Company.

Geographical locations of the Group’s business units are as follows:

- The registered office of the Company is situated at 1st Floor, Kashmir Commercial Complex, Fazal-ul-Haq Road, Block E, Blue Area, Islamabad;
- Plant of the Company is situated at Chak 56/5L, Qadarabad Multan Road, District Sahiwal, Punjab, Pakistan;
- The registered office of the Subsidiary Company, is located at APTMA House, Tehkal Payan, Jamrud Road, Peshawar; and
- Construction site of cement plant of the Subsidiary Company, is located at Saiduwali Village Tehsil Paharpur, District Dera Ismail Khan, Khyber Pakhtoonkhawa, Pakistan.

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements include the financial statements of the Company and its Subsidiary (collectively “the Group”). The financial statements of the Subsidiary are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

These consolidated condensed interim financial statements do not include all the information required in the annual financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant in understanding of the changes in the Company’s financial positing and performance since the last annual consolidated financial statements. These consolidated condensed interim financial statements should be read in conjunction with the Company’s latest consolidated annual financial statements as at and for the year ended December 31, 2022.

These consolidated condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

3.1 Exemptions from applicability of accounting and reporting requirements

3.1.1 IFRS 9 “Financial Instruments”

Securities and Exchange Commission of Pakistan (“SECP”) through S.R.O 1177 (I)/2021 dated September 13, 2021 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS-9 with respect to application of expected credit loss (ECL) model shall not be applicable till June 30, 2022 provided that such companies shall follow relevant requirements of IAS-39 ‘Financial Instruments Recognition and measurement’ in respect of above referred financial assets during the exemption period. However, SECP through S.R.O 67(i)/202, has further the exemption till December 31, 2024.

3.1.2 IFRS 16 “Leases”

Control of the Company’s plant due to purchase of total output by CPPA-G and other arrangement under the Power Purchase Agreement (PPA) was classified as a lease under IFRIC 4 “Determining whether an Arrangement Contains a Lease” which due to exemption available to the Company were not accounted for as a lease in prior years. After applicability of IFRS-16, the Company’s arrangement with CPPA-G falls under the definition of a lease as defined in IFRS-16, however, the SECP through S.R.O 986(1)/2019 dated September 02, 2019 has extended the earlier exemption from IFRIC-4 to all companies, which have entered into power purchase arrangements before January 01, 2019. The Company signed its PPA with CPPA-G on April 30, 2007, accordingly, requirement of lease accounting relating to the Company’s arrangement with CPPA-G are not applicable to the Company.

4. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company’s audited financial statements for the year ended December 31, 2022.

The preparation of these consolidated condensed interim financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Estimates and judgements are continually evaluated and are based on historic experience including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements made by the management in the preparation of these consolidated condensed interim financial statements are the same as those used in the preparation of the Company’s audited financial statements for the year ended December 31, 2022.

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
5 SHARE CAPITAL		
5.1 Authorized share capital		
405,000,000 (December 31, 2022: 405,000,000) ordinary shares of Rs.10 each	4,050,000,000	4,050,000,000
5.2 Issued, subscribed and paid-up capital		
386,471,779 (December 31, 2022: 386,471,779) ordinary shares of Rs.10 each fully paid in cash	3,864,717,790	3,864,717,790
5.3 Saif Holdings Limited holds 88,909,517 i.e., 23.01% (December 31, 2022: 88,909,517 i.e., 23.01%) ordinary shares of Rs.10 each at the reporting date. Further, 44,425,774 (December 31, 2022: 44,384,774) and 65,693,980 (December 31, 2022: 65,694,980) ordinary shares of Rs. 10 each are held by directors and related parties respectively. Orastar Limited holds 66,022,504 (December 31, 2022: 66,022,504) ordinary shares of the Company.		

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

6 MAINTENANCE RESERVE

As per terms and conditions of operation and maintenance contract, the Company is obliged for overhaul of the complex which are due at certain intervals based on plant operations determined in terms of factored fired hours (operating hours). An equivalent amount of such overhaul is calculated on the basis of operating hours as mentioned above and such amount is appropriated to maintenance reserve through statement of changes in equity. After completion of specific operating hours, the amount is transferred from maintenance reserve and the same amount is charged to cost of sales.

Change of treatment (Restatement):

In prior years, overhaul expense was accrued and charged annually to profit and loss on the basis of operating hours the plant operated in a particular year. This treatment was rectified last year in the light of the relevant opinion issued by the Institute of Chartered Accountants of Pakistan and relevant International Accounting Standards, which was also explained in note 3.17 in the annual financial statements for the year ended 31 December 2022. During the period, such specified operating hours of plant operation are completed after a period of almost six years, as a result of which an amount of overhaul of Rs. 1,281 million is charged to the head 'Operation and Maintenance' in 'Cost of Sales' in current period. This resulted in loss for the period as operation and maintenance cost for the period increased manifold as compared to prior comparable period.

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
7 SUBORDINATED LOAN - UNSECURED		
Balance at January 01	847,818,615	869,505,348
Exchange loss capitalised during the period / year	213,815,642	208,323,050
Repayment during the period / year	(230,558,562)	(230,009,783)
	<u>831,075,695</u>	<u>847,818,615</u>
Current portion of subordinated loan	(747,852,679)	(586,951,826)
Balance at September 30 / December 31	<u>83,223,016</u>	<u>260,866,789</u>

7.1 Terms and conditions of the above loan are same as disclosed in financial statements for the year ended December 31, 2022.

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
8 MARKUP ACCRUED		
Markup on sub-ordinated loan	551,201,255	699,600,170
Markup on short term financing	931,717,343	355,052,756
	<u>1,482,918,598</u>	<u>1,054,652,926</u>

9 UNCLAIMED AND UNPAID DIVIDEND

This includes Rs. 323 million (December 31, 2022: Rs. 366 million) payable to non-resident shareholder at the period end due to pending approval of State bank of Pakistan for remittance of dividend outside Pakistan.

10 DISCONTINUED OPERATIONS

During the period, sale transaction of assets of subsidiary has been completed and sale proceeds has been transferred to subsidiary's bank account. During the period, the Board of Directors of the Company has also recommended the voluntary winding up of the subsidiary. Once liquidation is completed after approval of shareholders, proceeds from liquidation will be used to payback to the Company and other sponsors according to their investment.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
Liabilities directly associated with asset held for sale;		
Gratuity payable	200,704	1,323,813
Loan from related party	-	55,826,961
Trade and other payables	74,268,388	34,560,522
	74,469,092	91,711,296
Asset held for sale;		
Property, plant and equipment	-	407,444,950
Project transaction costs	-	11,253,607
Advances to employees	-	-
Advance tax	56,266,447	22,665,029
Other receivable	-	871,033
Short term investment	1,233,609,853	10,526,316
Cash and bank balances	17,151,194	651,768,703
Goodwill	11,530,918	11,530,918
	1,318,558,412	1,116,060,556
	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees)	
Profit for the period:		
Other income	312,527,033	234,966,694
Administrative expenses	(13,839,392)	(1,658,716)
Finance cost	(5,789,997)	(4,300,031)
Provision for taxation	(73,157,584)	-
	219,740,060	229,007,947
Other comprehensive income for the period:		
Profit for the period	219,740,060	229,007,947
Remeasurement of defined benefit liability	-	-
Total comprehensive income	219,740,060	229,007,947
Cash flows from / (used in):		
Net cash used in operating activities	(22,930,063)	(15,325,983)
Net cash generated from / (used in) investing activities	654,106,975	(15,152,191)
Net cash generated from / (used in) financing activities	(42,710,884)	28,913,747
Net cashflows for the period	588,466,028	(1,564,427)

11 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Company for the year ended December 31, 2022 except for the following:

- In respect of Sui Northern Gas Pipeline Limited (SNGPL)'s claim on account of late payment by the Company against invoices of Regasified Liquefied Natural Gas (RLNG) has increased to Rs. 123.73 million (December 31, 2022: Rs. 114.48 million).
- In respect of Tax period July 2021 to June 2022, order was issued by Officer Inland Revenue against the Company raising tax demand of Rs. 136 million alongwith default surcharge of Rs. 16 million and penalty of Rs. 7 million under Sales Tax Act, 1990. Against the said order, the Company has filed an appeal with Commissioner (Appeals) which is pending adjudication.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
12 PROPERTY, PLANT AND EQUIPMENT		
Balance at January 01	11,302,149,549	11,710,519,365
Additions during the period / year	424,000	2,483,009
Net book value of assets disposed off	-	(131,379)
Depreciation for the period / year	(475,445,672)	(619,044,496)
Capitalization of exchange loss	213,815,642	208,323,050
Balance at September 30 / December 31	11,040,943,519	11,302,149,549
13 LONG TERM LOAN		
Balance at 01 January	-	-
Amount disbursed during the period / year	8,000,000	-
Interest accrued on loan	15,497	-
Amount repaid during the period / year	-	-
Balance at September 30 / December 31	8,015,497	-

Shareholders of the Company in their Extra Ordinary General Meeting held on 11 September 2023 approved long term loan maximum up to Rs. 1 billion in favor of Saif Textile Limited, an associated company. The long-term loan is approved for a period of 9 (nine) years including 2 (two) years grace period. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, which ever is higher payable in quarterly installments. Principal shall be repaid after end of grace period in equal quarterly installments.

	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
14 TRADE DEBTS		
Central Power Purchasing Agency-Guarantee (CPPA-G)	11,472,116,326	11,647,458,624

Apart from the information already disclosed in financial statements for the year ended December 31, 2022, following are the major event or transaction pertaining to trade debts:

- trade debts include unbilled receivable amount of Rs. 1.24 billion (December 31, 2022: Rs. 1.336 billion) at the period end.
- in respect of disputes with CPPA-G with regards to amounts withheld by CPPA-G relating to fuel cost component of energy purchase price invoices on account of incorrect application of heat rate correction factor and incorrect application of Period Weighing Factor (PWF) on capacity purchase price invoices, the Company has proceeded and filed request for arbitration in London Court of International Arbitration during the period.

	Un-audited Three months ended		Un-audited Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees)			
15 TURNOVER - NET				
Gross Energy Purchase Price	6,662,708,521	7,788,507,921	15,504,250,571	19,205,741,680
Less: Sales tax	(1,010,153,532)	(1,131,663,544)	(2,353,694,315)	(2,658,031,175)
	5,652,554,989	6,656,844,377	13,150,556,256	16,547,710,505
Capacity Purchase Price	1,740,111,046	1,637,018,734	4,451,836,782	3,675,296,195
	7,392,666,035	8,293,863,111	17,602,393,038	20,223,006,700
16 COST OF SALES				
Raw material consumed	5,300,017,282	6,409,438,890	12,440,627,017	15,728,704,423
Operation and maintenance	418,614,942	314,621,620	2,366,868,945	764,199,477
Salaries and other benefits	20,039,171	18,038,556	66,277,327	59,597,501
Electricity charges	17,624,236	8,205,088	57,730,748	32,543,211
Insurance expense	91,538,676	62,134,236	236,413,272	167,088,766
Depreciation	158,844,274	154,992,633	474,236,323	461,825,088
Office expenses	953,050	684,839	2,738,053	1,785,279
Travelling, conveyance and entertainment	919,405	776,037	2,642,009	1,598,417
Repair and maintenance	2,500	32,850	145,385	76,545
Communication	25,261	25,562	75,003	71,720
	6,008,578,797	6,968,950,311	15,647,754,082	17,217,490,427

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees)	
17 CASH AND CASH EQUIVALENTS		
Short term investments	1,259,504,604	17,012,704
Bank balances	19,599,914	1,680,371
Cash and cash equivalents in the statement of cash flows	<u>1,279,104,518</u>	<u>18,693,075</u>

18 FAIR VALUE MEASUREMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2022.

The carrying amounts of all financial assets and financial liabilities are estimated to approximate their fair values.

19 RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the period, other than those which have been disclosed in note 7, 8 and 9 of these unconsolidated condensed interim financial statements, are as follows:

	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees)	
Dividend paid during the period:		
- Saif Holdings Limited, an associated company	336,967,070	1,210,220,399
- Saif Textile Mills Limited, an associated company	379	1,050
- Directors of the Company	168,371,185	352,460,583
- Other related parties of the Company	248,982,308	515,718,566
Donations paid during the period:		
- Akbar Kare Institution	6,300,000	5,100,000
- Wadaan Foundation	1,665,000	1,665,000
- Teach for Pakistan	-	500,000
Loan disbursed / interest accrued during the period:		
- Saif Textile Mills Limited, an associated company	8,015,497	-
Meeting Fees paid during the period:		
- Directors of the Company	875,000	950,000
Remunerations paid during the period:		
- Key management personnel of the Company	65,556,049	58,476,682
Other transaction:		
- Remuneration and reimbursable expenses	21,658,237	20,752,779
- Contribution to Saif Power Limited - Staff Gratuity Fund	6,805,257	12,654,746
Transactions during the period by subsidiary company:		
- with Saif Holdings Limited, an associated company		
- Loan received	21,000,000	31,890,000
- Interest accrued on loan	9,907,809	4,038,375
- Repayment of principal and interest	73,595,909	2,545,957
	Un-audited September 30, 2023	Audited December 31, 2022
	(Rupees)	
Balances with related parties		
Payable to Saif Power Limited - Staff Gratuity Fund	8,337,086	6,805,257

20 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company, in its Board Meeting held on October 26, 2023 have approved interim cash dividend of Rs 1.50 per share.

21 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These unconsolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors in their meeting held on October 26, 2023.



Chief Financial Officer



Chief Executive Officer



Director



Saif Group



SAIF POWER LIMITED

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