

Condensed Interim Financial Statements

For nine months ended
September 30, 2022



SAIF POWER LIMITED

A Saif Group Company

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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	Chairperson
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 and 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, 2022

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, 2022.

SUMMARY OF FINANCIAL PERFORMANCE

Turnover of the Company was Rs. 20,223 million as compared to Rs. 13,010 million for the same period last year. Dispatch level was 41.19% as compared to 48.95% during the same period last year. Net profit during the period was Rs. 1,494 million as against net profit of Rs. 1,233 million for the comparable period of 2021. Earnings per share for the period is Rs. 3.87 as compared to earnings per share of Rs. 3.19 last year.

PENDING ISSUES

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.

The Company has appointed lawyers to handle this issue who are confident that the amount is actually due to the Company and eventually will be retained by the Company.

KEY OPERATIONAL AND FINANCIAL DATA (STANDALONE)

	Nine Months ended	
	Sep 30, 2022	Sep 30, 2021
	Rupees in Million	
Turnover	20,223	13,010
Net profit	1,494	1,233
Earnings per Share	3.87	3.19
Dispatch level	41.19%	48.95%
Capacity made available – GWHs	1,336	1,335
	Sep 30, 2022	Dec 31, 2021
	Rupees in Million	
Property, plant and equipment	11,470	11,711
Net worth	13,373	15,936
Short term borrowings	7,813	7,668

KEY FINANCIAL HIGHLIGHTS DATA (CONSOLIDATED)

	Nine Months ended	
	Sep 30, 2022	Sep 30, 2021
	Rupees in Million	
Turnover	20,223	13,010
Net profit	1,714	1,231
	Sep 30, 2022	Dec 31, 2021
	Rupees in Million	
Property, plant and equipment	11,470	11,711
Net worth	13,610	15,954

DIVIDEND

The Board of Directors of the Company, in its Board Meeting held on October 27, 2022 has approved second interim cash dividend of Rs. 1.5 per share.

RECEIVABLES FROM POWER PURCHASER

The Company's overdue receivable increased to Rs. 10.07 billion. However, the Company still has adequate working capital lines to sustain its operations.

INVESTMENT IN SAIF CEMENT LIMITED (SCL)

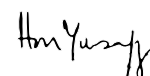
During the year ended 31 December 2021, the Board of Directors of the Company approved the proposal for sale of land and other assets of SCL. The same was approved by the shareholders in the Extra Ordinary General Meeting held on June 26, 2021. As of today, SCL is in the process of being sold. The proceeds from sale of assets will be used by SCL to payback to Saif Power Limited and other sponsors according to their investment after liquidation of SCL.

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,



Hoor Yousafzai
Chairperson

Islamabad
October 27, 2022

مالیاتی جھلکیاں: (مستحکم)

30 ستمبر 2021ء	30 ستمبر 2022ء	
(روپے ملین میں)		
13,010	20,223	کاروبار
1,231	1,714	خالص منافع
31 دسمبر 2021ء	30 ستمبر 2022ء	
11,711	11,470	پراپرٹی، پلائنٹ اور آلات
15,954	13,610	نیٹ مالیت

ڈیوڈنڈ (تقسیم شدہ منافع)

کمپنی کے بورڈ آف ڈائریکٹرز نے 27 اکتوبر 2022 کو ہونے والی اپنی بورڈ میٹنگ میں 1.5 روپے فی شیئر کے دوسرے عبوری نقد منافع کی منظوری دی ہے۔

بجلی خریداری کی طرف سے وصولی:

کمپنی کی زائد المیعا واجب الادا وصولی بڑھ کر 10.07 بلین روپے ہو گئی۔ تاہم، کمپنی کے پاس اب بھی اپنے آپریشنز کو برقرار رکھنے کے لیے کافی ورکنگ کیپیٹل لائسنز (کاروباری قرضے) موجود ہیں

سیف سینٹ لمیٹڈ (SCL) میں سرمایہ کاری:

31 دسمبر 2021 کو ختم ہونے والے سال کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز نے SCL کی زمین اور دیگر اثاثوں کی فروخت کی تجویز کی منظوری دی۔ 26 جون 2021 کو ہونے والی ایکسٹر آرڈینری جنرل میٹنگ میں شیئر ہولڈرز نے اسی کی منظوری دی تھی۔ آج تک، SCL فروخت ہونے کے عمل میں ہے۔ اثاثوں کی فروخت سے حاصل ہونے والی آمدنی SCL کے ذریعے سیف پاور لمیٹڈ اور دیگر سپانسرز کو ان کی سرمایہ کاری کے مطابق SCL کے ختم ہونے کے بعد ادائیگی کے لیے استعمال کی جائے گی۔

اظہار تشکر:

کمپنی کے ڈائریکٹرز اپنے کسٹمرز، سپلائرز، مالیاتی اداروں، ریگولیٹرز اور دیگر تمام اسٹیک ہولڈرز کے لیے تعریفی کلمات کہنا چاہتے ہیں جنہوں نے اس مدت کے دوران سال اپنا تعاون اور حمایت پیش کی۔

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:

Ham Yousuf

حور یوسفزئی

ڈائریکٹر

اسلام آباد

27 اکتوبر 2022

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے کمپنی کی عبوری مالیاتی گوشوروں پر کمپنی کی مالی اور آپریشنل کارکردگی کا ایک جامع جائزہ پیش کرنے پر خوشی ہے۔

مالیاتی کارکردگی کا خلاصہ

کمپنی کا کاروبار 20,223 ملین روپے کے مقابلے میں گزشتہ سال کی اسی مدت کے لیے 13,010 ملین تھا۔ ڈسپینج کی سطح 41.19 فیصد رہی جو گزشتہ سال کی اسی مدت کے دوران 48.95 فیصد تھی۔ اس مدت کے دوران خالص منافع 1,494 ملین روپے رہا جو کہ 2021 کی تقابلی مدت میں خالص منافع 1,233 ملین تھا۔ اس مدت کے لیے فی حصص آمدنی 3.87 روپے رہی جو کہ 2021 کی تقابلی مدت میں 3.19 روپے فی حصص آمدنی تھی۔

زیر التوا مسائل

مینسز سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے خلاف کیس میں، کمپنی کے حق میں 270.66 ملین روپے (جس میں 239.68 ملین روپے کی متنازع رقم اور 30.98 ملین روپے کے متعلقہ اخراجات شامل ہیں) کے ثالثی ایوارڈ کے بعد، کمپنی نے ثالثی ایوارڈ کے عوض قابل نفاذ حکم نامہ کے حصول کے لئے سول کورٹ لاہور میں ایک درخواست بھی درج کر رکھی ہے۔ کمپنی نے SNGPL کو قابل ادارہ قوم کے معاملے میں یہ رقم پہلے ہی ایڈجسٹ کر دی ہے۔ کمپنی نے اس مسئلے کو نمٹانے کے لیے وکلاء کا تقرر کیا ہے جنہیں یقین ہے کہ رقم اصل میں کمپنی کو واجب الادا ہے اور آخر کار کمپنی اسے اپنے پاس رکھے گی۔

مالیاتی جھلکیاں: (غیر مستحکم)

نومینے کے اختتام پر		
30 ستمبر 2022ء	30 ستمبر 2021ء	
(روپے ملین میں)		
20,223	13,010	کاروبار
1,494	1,233	خالص منافع
3.87	3.19	فی شیئر آمدنی
41.19 فیصد	48.95 فیصد	ترسیل کا لیول
1,336	1,335	دستیاب صلاحیت GWHS
30 ستمبر 2022ء	31 دسمبر 2021ء	
(روپے ملین میں)		
11,470	11,711	پراپرٹی، پلانٹ اور آلات
13,373	15,936	نیٹ مالیت
7,813	7,668	مختصر مدت کے قرضوں کے حصول

Condensed Interim Unconsolidated Financial Statements

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited December 31, 2021
	Note	(Rupees)	
Share Capital and Reserves			
Share capital	5	3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		9,507,933,076	12,071,615,237
Total equity		13,372,650,866	15,936,333,027
Liabilities			
Non-current liabilities			
Sub-ordinated loan - unsecured	6	332,174,515	409,178,872
Lease liabilities	7	28,517,687	32,492,979
		360,692,202	441,671,851
Current liabilities			
Trade and other payables		1,727,009,022	1,774,898,581
Short term borrowings	8	7,813,165,897	7,667,592,574
Current portion of non-current liabilities		610,085,241	475,068,256
Markup accrued	9	961,792,224	700,002,820
Unclaimed / Unpaid dividend		297,450,832	15,916,869
		11,409,503,216	10,633,479,100
Total equity and liabilities		25,142,846,284	27,011,483,978
Contingencies and commitments	10		
Assets			
Non-current assets			
Property, plant and equipment	11	11,470,101,760	11,710,519,365
Right of use assets	12	43,755,265	45,196,074
Long term deposits		5,016,000	3,103,150
		11,518,873,025	11,758,818,589
Current assets			
Stock in trade - HSD		400,529,057	246,092,789
Trade debts	13	11,823,463,707	12,656,194,470
Other receivables	14	426,481,117	464,512,853
Advances		4,780,784	4,964,356
Advance income tax		8,382,259	7,301,105
Trade deposits and short term prepayments	15	150,900,193	67,370,128
Short term investments	16	18,088,475	1,015,664,064
Bank balances	17	2,169,027	1,386,984
Current assets		12,834,794,619	14,463,486,749
Assets classified as held for sale	18	789,178,640	789,178,640
Total Assets		25,142,846,284	27,011,483,978

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	Three months ended		Nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		(Rupees)			
Turnover - net	19	8,293,863,111	6,613,494,022	20,223,006,700	13,010,118,700
Cost of sales	20	(7,036,760,041)	(5,829,475,888)	(17,399,579,452)	(11,048,981,749)
Gross profit		1,257,103,070	784,018,134	2,823,427,248	1,961,136,951
Other income		754,451	-	4,718,402	593,717
Administrative expenses		(48,752,179)	(40,137,500)	(137,047,612)	(119,439,768)
Finance cost		(459,479,745)	(292,140,577)	(1,196,826,519)	(609,279,124)
Profit for the period		749,625,597	451,740,057	1,494,271,519	1,233,011,776
Earnings per share - basic and diluted		1.94	1.17	3.87	3.19

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees)			
Profit for the period	749,625,597	451,740,057	1,494,271,519	1,233,011,776
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	749,625,597	451,740,057	1,494,271,519	1,233,011,776

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022	September 30, 2021
		(Rupees)	
Cash flows from operating activities			
Profit for the period		1,494,271,519	1,233,011,776
Adjustments for:			
Provision for staff retirement benefits - gratuity		8,554,035	6,209,148
Depreciation - Property, plant & equipment	11	462,816,586	455,362,724
Depreciation - Right of use assets	12	10,656,817	11,400,527
Finance cost		1,196,826,519	609,279,124
Gain on disposal of property, plant and equipment		(359,145)	(135,520)
Insurance claim		-	(73,000)
Return on investment		(3,279,346)	-
Profit on deposit accounts		(1,079,911)	(385,197)
		3,168,407,074	2,314,669,582
Changes in working capital			
Stock in trade		(154,436,268)	(16,540,481)
Trade debts		832,730,763	(2,046,095,160)
Other receivable		38,031,736	233,156,564
Advances		183,572	96,801,747
Trade deposits and prepayments		(83,530,065)	(46,943,484)
Trade and other payables		(43,788,848)	1,180,312,169
Cash generated from operating activities		3,757,597,964	1,715,360,937
Income taxes paid		(1,081,154)	(570,708)
Finance cost paid		(935,037,115)	(553,247,578)
Staff retirement benefits paid		(12,654,746)	(393,541)
Net cash generated from operating activities		2,808,824,949	1,161,149,110
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(1,187,190)	(457,771)
Acquisition of right of use assets		-	(608,855)
Increase in long term deposits		(1,912,850)	(198,350)
Proceeds from sale of property, plant and equipment		470,727	362,242
Investment in subsidiary	18	-	(4,404,410)
Insurance claim received		-	73,000
Return on investment		3,279,346	-
Profit on deposit accounts		1,079,911	385,197
Net cash generated from / (used in) investing activities		1,729,944	(4,848,947)
Cash flows from financing activities			
Repayment of Sub-ordinated loan	6	(165,539,902)	(135,567,348)
Dividend paid		(3,776,419,717)	(964,761,167)
Short term borrowings - net	8	145,573,323	(43,562,462)
Lease liabilities paid	7	(10,962,143)	(10,374,901)
Net cash used in financing activities		(3,807,348,439)	(1,154,265,878)
Net increase in cash and cash equivalents		(996,793,546)	2,034,285
Cash and cash equivalents at beginning of the period		1,017,051,048	13,497,775
Cash and cash equivalents at end of the period		20,257,502	15,532,060

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share capital	Unappropriated profit-revenue reserve (Rupees)	Total equity
Balance as at January 01, 2021 (Audited)	3,864,717,790	12,067,738,798	15,932,456,588
Profit for the period	-	781,271,719	781,271,719
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	781,271,719	781,271,719
Transactions with owners of the Company			
Distributions:			
Final dividend 2020 @ Rs. 2.50 per share	-	(966,179,448)	(966,179,448)
Balance as at September 30, 2021 (Un-audited)	3,864,717,790	11,882,831,069	15,747,548,859
Balance as at January 01, 2022 (Audited)	3,864,717,790	12,071,615,237	15,936,333,027
Profit for the period	-	1,494,271,519	1,494,271,519
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,494,271,519	1,494,271,519
Transactions 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 @ Rs. 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)	3,864,717,790	9,507,933,076	13,372,650,866

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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 condensed interim unconsolidated financial statements of the Company for nine months ended September 30, 2022 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 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 financial statements. These condensed financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2021.

These condensed interim unconsolidated 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 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. During the period, SECP has extended the exemption period till June 30, 2023.

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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

4 SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2021.

The preparation of these 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 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, 2021.

5 SHARE CAPITAL

5.1 Authorised share capital

405,000,000 (December 31, 2021: 405,000,000) ordinary shares of Rs.10 each

5.2 Issued, subscribed and paid-up capital

386,471,779 (December 31, 2021: 386,471,779) ordinary shares of Rs.10 each fully paid in cash

5.3 Saif Holdings Limited holds 88,909,517 i.e. 23.01% (December 31, 2021: 135,021,262 i.e. 34.94%) ordinary shares of Rs. 10 each at the reporting date. Further, 44,383,274 (December 31, 2021: 25,465,350) and 100 (December 31, 2021: 100) ordinary shares of Rs. 10 each are held by directors and a related party respectively. Orastar Limited holds 66,022,504 (December 31, 2021: 66,022,504) ordinary shares of the Company.

During the period, Saif Holdings Limited has distributed 46,111,745 shares held in the Company, as dividend in kind to its shareholders.

6 SUB-ORDINATED LOAN - UNSECURED

Balance at January 01

Exchange loss capitalized

Repayment during the period / year

Current portion of subordinated loan

Balance at September 30 / December 31

6.1

6.1 Terms and conditions of the above loan are same as disclosed in financial statements for the year ended December 31, 2021.

	Un-audited September 30, 2022	Audited December 31, 2021
	(Rupees)	
	4,050,000,000	4,050,000,000
	3,864,717,790	3,864,717,790
	869,505,348	970,578,622
	221,343,420	83,433,913
	(165,539,902)	(184,507,187)
	925,308,866	869,505,348
	(593,134,351)	(460,326,476)
	332,174,515	409,178,872

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited December 31, 2021
	Note	(Rupees)	
7 LEASE LIABILITIES			
Lease liabilities		45,468,577	47,234,759
Less: current portion		(16,950,890)	(14,741,780)
Non-current portion		28,517,687	32,492,979
<i>Movement of lease liabilities under IFRS 16 is as follows:</i>			
Balance at January 01		47,234,759	56,869,829
Addition during the period / year		9,838,061	9,584,915
Disposal during the period / year		(642,100)	(4,460,110)
Interest		4,108,050	4,855,432
Payments during the period / year		(15,070,193)	(19,615,307)
Balance at September 30 / December 31		45,468,577	47,234,759
Current portion of lease liabilities		(16,950,890)	(14,741,780)
Non-current portion of lease liabilities		28,517,687	32,492,979
8 SHORT TERM BORROWINGS			
Working capital facilities - secured	8.1	3,841,777,362	4,457,132,285
Short term musharakah facilities - secured	8.2	3,971,388,535	3,210,460,289
		7,813,165,897	7,667,592,574

8.1 The Company has obtained working capital facilities amounting to Rs. 9.23 billion (December 31, 2021: Rs. 8.33 billion) from several commercial banks for meeting the working capital requirements, expiring on various dates during 2022. The facilities are secured by way of mortgage charge on fuel stocks inventory and energy payment receivables up to Rs. 12.78 billion (December 31, 2021: Rs. 11.58 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company for an amount of Rs. 1.21 billion (December 31, 2021: Rs. 1.21 billion).

8.2 The Company has obtained short term Islamic finance facilities from Islamic banks subject to a maximum limit of Rs. 5.3 billion (December 31, 2021: Rs. 5.3 billion). The facilities are secured by pari passu / ranking charge on fuel stock and energy purchase price receivables of the Company up to Rs. 7.03 billion (December 31, 2021: Rs. 7.03 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company up to Rs. 0.42 billion (December 31, 2021: Rs. 0.42 billion).

8.3 Letter of guarantee / stand by letter of credit amounting to Rs. 3.92 billion (December 31, 2021: Rs. 3.92 billion) are available to the Company. These facilities are secured against the ranking charge over all present and future fixed assets amounting to Rs. 6.18 billion (December 31, 2021: Rs. 6.18 billion).

	Un-audited September 30, 2022	Audited December 31, 2021
	(Rupees)	
9 MARKUP ACCRUED		
Markup on short term financing	262,043,135	167,049,963
Markup on sub-ordinated loan	699,749,089	532,952,857
	961,792,224	700,002,820

10 CONTINGENCIES AND COMMITMENTS

All contingencies and commitments are same as those disclosed in financial statements for the year ended December 31, 2021 except for the contingent liability in respect of Sui Northern Gas Pipelines Limited (SNGPL)'s claim on account of late payment by the Company against SNGPL's invoices of Regasified Liquefied Natural Gas (RLNG) has increased to Rs. 111.33 million (December 31, 2021: Rs. 104.76 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited December 31, 2021
	Note	(Rupees)	
11 PROPERTY, PLANT AND EQUIPMENT			
Balance at January 01		11,710,519,365	12,232,028,625
Additions during the period / year		1,187,190	734,653
Net book value of assets disposed off		(131,629)	2,484,726
Depreciation for the period / year		(462,816,586)	(608,162,552)
Capitalization of exchange loss		221,343,420	83,433,913
Balance at September 30 / December 31		11,470,101,760	11,710,519,365
12 RIGHT OF USE ASSETS			
Balance at January 01		45,196,074	54,863,722
Additions during the period / year		10,864,242	10,193,770
Net book value of assets disposed off		(1,648,234)	(4,484,672)
Depreciation for the period / year		(10,656,817)	(15,376,746)
Balance at September 30 / December 31		43,755,265	45,196,074
Rate of depreciation per annum (%)		10% to 20%	10% to 20%
13 TRADE DEBTS			
Central Power Purchasing Agency - Guarantee (CPPA - G)	13.1	11,823,463,707	12,656,194,470
<p>13.1 Trade debts include an overdue amount of Rs. 10.07 billion (December 31, 2021: Rs. 11.78 billion). The Company considers this amount to be fully recoverable because this is secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA). Additionally, trade debts are subject to markup on delayed payments under Power Purchase Agreement (PPA) at the rate of KIBOR + 4.5% per annum except RLNG fuel invoices which are subject to markup of KIBOR + 2% per annum for first 30 days, and after which markup will be KIBOR+4.5% per annum. During the period CPPA-G has paid Rs. 9.5 billion in two instalments as per Master Agreement. After receipt of payment and as per PPA amendment agreement dated February 11, 2021, 'Delayed Payment Rate' has come down to KIBOR+2% per annum for first 60 days and KIBOR+4.5% per annum afterwards except for RLNG fuel invoices, for which the existing mechanism will be followed. As referred in note 2.1.1, SECP has exempted the applicability of expected credit loss allowance on trade debts due directly / ultimately from GoP.</p>			
<p>13.2 The Company had won the original arbitration case against SNGPL on March 09, 2016 for an amount of Rs. 239.68 million as SNGPL could not supply gas to the Company from March 2011 to May 2011 and Power Purchaser deducted Company's capacity amount to that extent.</p> <p>Subsequently, Company set-off that amount against payables to SNGPL.</p> <p>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 decision dated April 22, 2022. Company is now going ahead with the process of obtaining the decree. SNGPL has filed a petition in the Lahore High Court. The decree will be issued at a certain point of time and Company is confident that ultimately the money will be retained by the Company.</p>			
<p>13.3 Trade debts include Rs. 373.58 million (December 31, 2021: Rs. 164.98 million) which were unilaterally withheld by CPPA-G relating to fuel cost component of energy purchase price invoices on account of incorrect application of heat rate correction factor. Based on the advice of legal counsel, the management is confident regarding the favorable resolution of the matter and has accordingly recognized revenue in respect of unilateral withheld amounts.</p>			

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited December 31, 2021
14 OTHER RECEIVABLES		(Rupees)	
Workers' Profit Participation Fund (WPPF) receivable		162,060,493	205,922,080
Sales tax receivable - net		263,498,280	228,100,078
Other receivables		922,344	30,490,695
		426,481,117	464,512,853
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Prepayments		149,067,193	65,095,778
Security deposit		1,833,000	1,833,000
Current portion of long term deposits		-	441,350
		150,900,193	67,370,128
16 SHORT TERM INVESTMENTS			
Term deposit receipt		-	1,000,000,000
T bill Investment	16.1	18,088,475	15,664,064
		18,088,475	1,015,664,064

16.1 These carried interest rate of 14.30% (December 31, 2021: 10.30%) per annum having maturity upto October 12, 2022.

		September 30, 2022	December 31, 2021
17 BANK BALANCES		(Rupees)	
Current accounts			
Local currency		2,669	412,640
Deposit accounts			
Local currency		1,713,316	625,114
Foreign currency	17.1	453,042	349,230
		2,166,358	974,344
		2,169,027	1,386,984

17.1 This represents USD 1,974 (December 31, 2021: USD 1,968) in US Dollar deposit account.

		September 30, 2022	December 31, 2021
17.2 Cash and cash equivalents:		(Rupees)	
Short term investments	16	18,088,475	-
Bank balances	17	2,169,027	15,532,060
Cash and cash equivalents in the statement of cash flows		20,257,502	15,532,060

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Un-audited September 30, 2022	Audited December 31, 2021
	(Rupees)	
18 ASSETS CLASSIFIED AS HELD FOR SALE		
Shares of Saif Cement Limited	789,178,640	789,178,640

18.1 This represents equity investment in Saif Cement Limited ("SCL").

18.2 The Board of Directors of the Company had approved the proposal for sale of land and other assets of SCL last year. The same was approved by the shareholders in the Extra Ordinary General Meeting held on June 26, 2021. As of today, SCL is in the process of being sold. The proceeds from sale of assets will be used by SCL to payback to the Company and other sponsors according to their investment after liquidation of SCL.

Accordingly, the Company's investment in SCL (the "Subsidiary Company") has been classified as non-current "asset held for sale" in accordance with International Financial Reporting Standards 5 "Non-current Assets Held for Sales and Discontinued Operations" and measured at lower of carrying amount at designation and fair value less cost to sell.

	Un-audited Three months ended September 30, 2022	September 30, 2021	Un-audited Nine months ended September 30, 2022	September 30, 2021
	(Rupees)			
19 TURNOVER - NET				
Gross Energy Purchase Price	7,788,507,921	6,606,299,092	19,205,741,680	11,896,438,093
Less: Sales tax	(1,131,663,544)	(944,385,175)	(2,658,031,175)	(1,713,037,854)
	6,656,844,377	5,661,913,917	16,547,710,505	10,183,400,239
Capacity Purchase Price	1,637,018,734	951,580,105	3,675,296,195	2,826,718,461
	8,293,863,111	6,613,494,022	20,223,006,700	13,010,118,700
20 COST OF SALES				
Raw material consumed	6,409,438,890	5,275,217,072	15,728,704,423	9,503,903,577
Operation and maintenance	382,431,350	336,001,040	946,288,502	858,312,483
Salaries and other benefits	18,038,556	15,861,690	59,597,501	52,523,578
Electricity charges	8,205,088	3,663,021	32,543,211	32,295,831
Insurance expense	62,134,236	45,984,144	167,088,766	144,195,737
Depreciation	154,992,633	151,743,383	461,825,088	454,434,613
Office expenses	684,839	493,683	1,785,279	1,224,679
Travelling, conveyance and entertainment	776,037	449,109	1,598,417	1,315,751
Repair and maintenance	32,850	18,375	76,545	699,189
Communication	25,562	44,371	71,720	76,311
	7,036,760,041	5,829,475,888	17,399,579,452	11,048,981,749

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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, 2021. 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, 2021.

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

22 RELATED PARTY TRANSACTIONS

Related parties comprise of Saif Holding Limited, Saif Cement Limited, directors, key management personnel, entities over which directors are able to exercise significant influence and major shareholders. Balances and other arrangements with Orastar Limited have been disclosed in note 5 and 6 to the financial statements. Transactions and balances with related parties other than those disclosed in note 6 to these condensed interim unconsolidated financial statements are as follows:

	Un-audited Nine months ended	
	September 30, 2022	September 30, 2021
	(Rupees)	
Transactions with related parties		
Saif Holdings Limited - Associated Company (23.01% shareholding-common directorship)		
Dividend	1,210,220,399	337,554,405
Saif Textile Limited - Associated Company (Common directorship)		
Dividend	1,050	250
Akbar Kare Institution - Associated Company (Common directorship)		
Donation made by the Company	5,100,000	4,500,000
Wadaan Foundation - Associated Company (Common directorship)		
Donation made by the Company	1,665,000	1,665,000
Teach For Pakistan - Associated Company (Common directorship)		
Donation made by the Company	500,000	500,000
Key Management Personnel		
Directors' meeting fee	950,000	850,000
Dividend to Directors	352,460,583	63,663,375
Remuneration including benefits and perquisites	58,476,682	51,370,742
Other Related Party		
Contribution to Saif Power Limited - staff gratuity fund	12,654,746	393,541
	Un-audited September 30, 2022	Audited December 31, 2021
	Rupees	
Balances with related party		
Payable to Saif Power Limited - staff gratuity fund	8,554,035	12,654,746

23 OTHERS

In July 2012, the Company along with other Independent Power Producers (IPPs) received a notice for inspection of its books of accounts under section 231 of the Companies Ordinance, 1984. The Company along with other IPPs filed Constitutional Petitions in High Courts and stay order was granted to the IPPs for same. Subsequently, hearings were also conducted in High Courts. The Honourable Lahore High Court accepted the Writ Petitions and decided the case in favour of IPPs in Writ Petition No. 20088/2012 along with other connected petitions vide judgment dated January 18, 2016. During the period, in case of the Company, the Honourable Islamabad High Court ('IHC') dismissed the Company's petition. The Company filed a Constitutional Petition in the Honourable Supreme Court of Pakistan ('SCP'), wherein stay order has been granted to the Company subsequent to the period end.

24 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of directors of the Company, in its Board meeting held on October 27, 2022 has approved second interim cash dividend of Rs. 1.5 per share.

25 DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were approved and authorized for issue by the Board of Directors in their meeting held on October 27, 2022.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2022

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

	Note	Un-audited September 30, 2022	Audited December 31, 2021
Share Capital and Reserves			
		(Rupees)	
Share capital	5	3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		9,708,910,289	12,060,963,611
Equity attributable to the owners of the Company		13,573,628,079	15,925,681,401
Non controlling interests		36,698,751	28,762,669
Total equity		13,610,326,830	15,954,444,070
Liabilities			
Non-current liabilities			
Sub-ordinated loan - unsecured	6	332,174,515	409,178,872
Lease liabilities	7	28,517,687	32,492,979
		360,692,202	441,671,851
Current liabilities			
Trade and other payables		1,727,009,022	1,774,898,582
Short term borrowings	8	7,813,165,897	7,667,592,574
Current portion of non-current liabilities		610,085,241	475,068,256
Markup accrued	9	961,792,224	700,002,820
Unclaimed / unpaid dividend		297,450,832	15,916,869
		11,409,503,216	10,633,479,101
Liabilities directly associated with the assets held for sale	10	84,017,790	46,417,023
		11,493,521,006	10,679,896,124
Total equity and liabilities		25,464,540,038	27,076,012,045
Contingencies and commitments			
Assets			
Non-current assets			
Property, plant and equipment	12	11,470,101,760	11,710,519,365
Right of use assets	13	43,755,265	45,196,074
Long term deposits		5,016,000	3,103,150
		11,518,873,025	11,758,818,589
Current assets			
Stock in trade - HSD		400,529,057	246,092,789
Trade debts	14	11,823,463,707	12,656,194,470
Other receivables	15	426,481,117	464,512,853
Advances		4,780,784	4,964,356
Advance Income tax		8,382,259	7,301,105
Trade deposits and short term prepayments	16	150,900,193	67,370,128
Short term investments	17	18,088,475	1,015,664,064
Bank balances	18	2,169,027	1,386,984
Current assets		12,834,794,619	14,463,486,749
Assets classified as held for sale	10	1,110,872,395	853,706,707
Total Assets		25,464,540,038	27,076,012,045


The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Three months ended		Nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Note	(Rupees)			
Continuing operations					
Turnover - net	19	8,293,863,111	6,613,494,022	20,223,006,700	13,010,118,700
Cost of sales	20	(7,036,760,041)	(5,829,475,888)	(17,399,579,452)	(11,048,981,749)
Gross profit		1,257,103,070	784,018,134	2,823,427,248	1,961,136,951
Other income		754,451	-	4,718,402	593,717
Administrative expenses		(48,752,179)	(40,137,500)	(137,047,612)	(119,439,768)
Finance cost		(459,479,745)	(292,140,577)	(1,196,826,519)	(609,279,124)
Profit for the period		749,625,597	451,740,057	1,494,271,519	1,233,011,776
Discontinued operations					
Profit / (Loss) for the period		9,719,951	(1,069,935)	219,564,921	(2,246,805)
Profit for the period		759,345,548	450,670,122	1,713,836,440	1,230,764,971
Profit / (Loss) attributable to:					
Profit / (Loss) from continuing operations					
- Owners of the Company		749,625,597	451,740,057	1,494,271,519	1,233,011,776
- Non-controlling interests		-	-	-	-
		749,625,597	451,740,057	1,494,271,519	1,233,011,776
Profit / (Loss) from discontinued operation					
- Owners of the Company		9,368,627	(1,031,263)	211,628,839	(2,165,595)
- Non-controlling interests		351,324	(38,672)	7,936,082	(81,210)
		9,719,951	(1,069,935)	219,564,921	(2,246,805)
		759,345,548	450,670,122	1,713,836,440	1,230,764,971

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees)			
Profit for the period	759,345,548	450,670,122	1,713,836,440	1,230,764,971
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	759,345,548	450,670,122	1,713,836,440	1,230,764,971
Total comprehensive income / (loss) attributable to:				
- Owners of the Company	758,994,224	450,708,794	1,705,900,358	1,230,846,181
- Non-controlling interests	351,324	(38,672)	7,936,082	(81,210)
	759,345,548	450,670,122	1,713,836,440	1,230,764,971
Total comprehensive income / (loss) arises from:				
- Continuing operations	749,625,597	451,740,057	1,494,271,519	1,233,011,776
- Discontinued operations	9,719,951	(1,069,935)	219,564,921	(2,246,805)
	759,345,548	450,670,122	1,713,836,440	1,230,764,971

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share capital	Unappropriated profit-revenue reserve	Non-Controlling interest	Total equity
	(Rupees)			
Balance as at January 01, 2021 (Audited)	3,864,717,790	12,060,290,827	28,869,270	15,953,877,887
Profit / (Loss) for the period	-	1,230,846,317	(81,346)	1,230,764,971
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income / (loss) for the period	-	1,230,846,317	(81,346)	1,230,764,971
Transactions with owners of the Company				
Distributions				
Final dividend 2020@ Rs. 2.50 per share	-	(966,179,448)	-	(966,179,448)
Changes in ownership interests:				
Consideration paid by NCI for acquisition of shares	-	-	9,460	9,460
Acquisition of share from NCI without change in control	-	(3,766)	3,766	-
Total changes in ownership interests	-	(3,766)	13,226	9,460
Total transactions with owners of the Company	-	(966,183,214)	13,226	(966,169,988)
Balance as at September 30, 2021 (Un-audited)	3,864,717,790	12,324,953,930	28,801,150	16,218,472,870
Balance as at January 01, 2022 (Audited)	3,864,717,790	12,060,963,611	28,762,669	15,954,444,070
Profit for the period	-	1,705,900,358	7,936,082	1,713,836,440
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	1,705,900,358	7,936,082	1,713,836,440
Transactions 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@ Rs. 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)
Changes in ownership interests:				
Consideration paid by NCI for acquisition of shares	-	-	-	-
Acquisition of share from NCI without change in control	-	-	-	-
Total changes in ownership interests	-	-	-	-
Total transactions with owners of the Company	-	(4,057,953,680)	-	(4,057,953,680)
Balance as at September 30, 2022 (Un-audited)	3,864,717,790	9,708,910,289	36,698,751	13,610,326,830

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		September 30, 2022	September 30, 2021
	Note	(Rupees)	
Cash flows from operating activities			
Profit for the period		1,494,271,519	1,230,764,971
Adjustments for:			
Provision for staff retirement benefits - gratuity		8,554,035	6,217,788
Depreciation - Property, plant and equipment	12	462,816,586	455,636,312
Depreciation - Right of use assets	13	10,656,817	12,627,550
Finance cost		1,196,826,519	609,650,713
Gain on disposal of property, plant and equipment		(359,145)	(135,520)
Insurance claim		-	(73,000)
Return on investment		(3,279,346)	(385,197)
Profit on deposit accounts		(1,079,911)	(446,455)
		3,168,407,074	2,313,857,162
Changes in working capital			
Stock in trade		(154,436,268)	(16,540,481)
Trade debts		832,730,763	(2,046,095,160)
Other receivable		38,031,736	233,156,564
Advances		183,572	96,801,747
Trade deposits and prepayments		(83,530,065)	(46,943,484)
Trade and other payables		(43,788,848)	1,130,825,137
Discontinued operations		(15,325,983)	-
Cash generated from operating activities		3,742,271,981	1,665,061,485
Income taxes paid		(1,081,154)	(641,719)
Finance cost paid		(935,037,115)	(553,448,482)
Deferred liability - gratuity		-	622,536
Staff retirement benefits paid		(12,654,746)	(393,541)
Net cash generated from operating activities		2,793,498,966	1,111,200,279
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(1,187,190)	(13,235,581)
Acquisition of right of use assets		-	(608,855)
Increase in long term deposits		(1,912,850)	(198,350)
Proceeds from sale of property, plant and equipment		470,727	362,242
Movement in Project Transaction cost		-	48,306,825
Insurance claim received		-	73,000
Profit on deposit accounts		1,079,911	385,197
Return on investments - receipts		3,279,346	446,455
Discontinued operations		(15,152,191)	-
Net cash (used in) / generated from investing activities		(13,422,247)	35,530,933
Cash flows from financing activities			
Repayment of long term financing	6	(165,539,902)	(135,567,348)
Dividend paid		(3,776,419,717)	(964,761,167)
Short term borrowings - net	8	145,573,323	(34,142,462)
Receipt against issuance of shares of the Subsidiary Company		-	9,460
Lease liabilities paid	7	(10,962,143)	(11,081,633)
Discontinued operations		28,913,747	-
Net cash used in financing activities		(3,778,434,692)	(1,145,543,150)
Net increase/(decrease) in cash and cash equivalents		(998,357,973)	1,188,062
Cash and cash equivalents at beginning of the period		1,017,051,048	26,727,888
Cash and cash equivalents at end of the period		18,693,075	27,915,950

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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 (2021: 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 Saidwali Village Tehsil Paharpur, District Dera Ismail Khan, Khyber Pakhtoonkhwa, Pakistan."

2 Statement of compliance

These condensed interim consolidated 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 condensed interim consolidated 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.

The disclosures in these condensed interim consolidated financial statements do not include the information reported in annual financial statements and should therefore be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

These condensed interim consolidated 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 BASIS OF PREPARATION

These 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 position and performance since the last annual financial statements. These condensed financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2021.

These condensed interim consolidated 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 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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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. During the period, SECP has extended the exemption period till June 30, 2023.

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, 2021.

The preparation of these condensed interim financial statements in conformity with approved 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 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, 2021.

5 SHARE CAPITAL

5.1 Authorized share capital

405,000,000 (December 31, 2021: 405,000,000) ordinary shares of Rs.10 each

5.2 Issued, subscribed and paid-up capital

386,471,779 (December 31, 2021: 386,471,779) ordinary shares of Rs.10 each fully paid in cash

5.3 Saif Holdings Limited holds 88,909,517 i.e. 23.01% (December 31, 2021: 135,021,262 i.e. 34.94%) ordinary shares of Rs. 10 each at the reporting date. Further, 44,383,274 (December 31, 2021: 25,465,350) and 100 (December 31, 2021: 100) ordinary shares of Rs. 10 each are held by directors and a related party respectively. Orastar Limited holds 66,022,504 (December 31, 2021: 66,022,504) ordinary shares of the Company.

During the period, Saif Holdings Limited has distributed 46,111,745 shares held in the Company, as dividend in kind to its shareholders.

6 SUB-ORDINATED LOAN - UNSECURED

Balance at January 01
Exchange loss capitalized
Repayment during the period / year

Current portion of subordinated loan
Balance at September 30 / December 31

6.1

6.1 Terms and conditions of the above loan are same as disclosed in financial statements for the year ended December 31, 2021.

	Un-audited September 30, 2022	Audited December 31, 2021
	(Rupees)	
	4,050,000,000	4,050,000,000
	3,864,717,790	3,864,717,790
	869,505,348	970,578,622
	221,343,420	83,433,913
	(165,539,902)	(184,507,187)
	925,308,866	869,505,348
	(593,134,351)	(460,326,476)
	332,174,515	409,178,872

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited December 31, 2021
		(Rupees)	
7 LEASE LIABILITIES			
Lease liabilities		45,468,577	47,234,759
Less: Current portion		(16,950,890)	(14,741,780)
Long term portion		28,517,687	32,492,979
<i>Movement of lease liabilities under IFRS 16 is as follows:</i>			
Balance at January 01		47,234,759	56,869,829
Addition during the period / year		9,838,061	9,584,915
Disposal during the period /year		(642,100)	(4,460,110)
Interest		4,108,050	4,855,432
Payments during the period/ year		(15,070,193)	(19,615,307)
Balance at September 30/ December 31		45,468,577	47,234,759
Current portion of lease liabilities		(16,950,890)	(14,741,780)
Non-Current portion of Lease Liabilities		28,517,687	32,492,979
8 SHORT TERM BORROWINGS			
Working capital facilities - secured	8.1	3,841,777,362	4,457,132,285
Short term musharakah facilities - secured	8.2	3,971,388,535	3,210,460,289
		7,813,165,897	7,667,592,574

8.1 The Company has obtained working capital facilities amounting to Rs. 9.23 billion (December 31, 2021: Rs. 8.33 billion) from several commercial banks for meeting the working capital requirements, expiring on various dates during 2022. The facilities are secured by way of mortgage charge on fuel stocks inventory and energy payment receivables up to Rs. 12.78 billion (December 31, 2021: Rs. 11.58 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company for an amount of Rs. 1.21 billion (December 31, 2021: Rs. 1.21 billion).

8.2 The Company has obtained short term Islamic finance facilities from Islamic banks subject to a maximum limit of Rs. 5.3 billion (December 31, 2021: Rs. 5.3 billion). The facilities are secured by pari passu / ranking charge on fuel stock and energy purchase price receivables of the Company up to Rs. 7.03 billion (December 31, 2021: Rs. 7.03 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company up to Rs. 0.42 billion (December 31, 2021: Rs. 0.42 billion).

8.3 Letter of guarantee / stand by letter of credit amounting to Rs. 3.92 billion (December 31, 2021: Rs. 3.92 billion) are available to the Company. These facilities are secured against the ranking charge over all present and future fixed assets amounting to Rs. 6.18 billion (December 31, 2021: Rs. 6.18 billion).

		Un-audited September 30, 2022	Audited December 31, 2021
		(Rupees)	
9 MARKUP ACCRUED			
Markup on short term financing		262,043,135	167,049,963
Markup on sub-ordinated loan		699,749,089	532,952,857
		961,792,224	700,002,820

10 DISCONTINUED OPERATIONS

10.1 An analysis of the assets and liabilities attributable to discontinued operations as at the date of statement of financial position is as follows:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Un-audited September 30, 2022	Audited December 31, 2021
	(Rupees)	
10.1.1 Liabilities directly associated with the Assets held for sale:		
Gratuity payable	1,323,813	2,552,480
Lease liabilities	-	3,066,253
Loan from related parties	49,302,990	15,830,572
Trade and other payables	33,390,987	24,967,718
	84,017,790	46,417,023
10.1.2 Assets held for sale:		
Property, plant and equipment	403,597,273	808,461,072
Project transaction costs	11,253,607	11,253,607
Advances to employees	-	41,700
Advance tax	22,604,683	9,723,033
Other receivable	650,871,033	326,423
Short term investment	10,526,316	10,526,316
Cash and bank balances	488,565	1,843,638
Goodwill	11,530,918	11,530,918
	1,110,872,395	853,706,707
	Un-audited Nine months ended	
	September 30, 2022	September 30, 2021
	(Rupees)	
10.1.3 Profit /(Loss) for the period - discontinued operations:		
Other income	234,966,694	446,455
Administrative expenses	(1,658,716)	(2,321,671)
Finance cost	(4,300,031)	(371,589)
Profit / (Loss) for the period	229,007,947	(2,246,805)
10.1.4 Other comprehensive income/(loss):		
Profit / (Loss) for the period	219,564,921	(2,246,805)
Remeasurement of defined benefit liability	-	-
Total comprehensive profit / (loss)	219,564,921	(2,246,805)
10.1.5 Cash flows from / (used in) discontinued operations:		
Net cash used in operating activities	(15,325,983)	(1,809,448)
Net cash used in investing activities	(15,152,191)	(12,163,914)
Net cash from financing activities	28,913,747	13,127,138
Net cashflows for the period	(1,564,427)	(846,224)

11 CONTINGENCIES AND COMMITMENTS

All contingencies and commitments are same as those disclosed in financial statements for the year ended December 31, 2021 except for the contingent liability in respect of Sui Northern Gas Pipelines Limited (SNGPL)'s claim on account of late payment by the Company against SNGPL's invoices of Regasified Liquefied Natural Gas (RLNG) has increased to Rs. 111.33 million (December 31, 2021: Rs. 104.76 million).

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

14.3 Trade debts include Rs. 373.58 million (December 31, 2021: Rs. 164.98 million) which were unilaterally withheld by CPPA-G relating to fuel cost component of energy purchase price invoices on account of incorrect application of heat rate correction factor. Based on the advice of legal counsel, the management is confident regarding the favorable resolution of the matter and has accordingly recognized revenue in respect of unilateral withheld amounts.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Un-audited September 30, 2022	Audited December 31, 2021
15 OTHER RECEIVABLES	Note	(Rupees)	
Workers' Profit Participation Fund (WPPF) receivable		162,060,493	205,922,080
Sales tax receivable - net		263,498,280	228,100,078
Other receivables		922,344	30,490,695
		<u>426,481,117</u>	<u>464,512,853</u>
16 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Prepayments		149,067,193	65,095,778
Security deposit		1,833,000	1,833,000
Current portion of long term deposits		-	441,350
		<u>150,900,193</u>	<u>67,370,128</u>
17 SHORT TERM INVESTMENTS			
Term deposit receipt		-	1,000,000,000
T bill Investment	17.1	18,088,475	15,664,064
		<u>18,088,475</u>	<u>1,015,664,064</u>

17.1 These carried interest rate of 14.30% (December 31, 2021: 10.30%) per annum having maturity upto October 12, 2022.

		Un-audited September 30, 2022	Audited December 31, 2021
18 BANK BALANCES		(Rupees)	
Current accounts			
Local currency		2,669	412,640
Deposit accounts			
Local currency		1,713,316	625,114
Foreign currency	18.1	453,042	349,230
		<u>2,166,358</u>	<u>974,344</u>
		<u>2,169,027</u>	<u>1,386,984</u>

18.1 This represents USD 1,974 (December 31, 2021: USD 1,968) in US Dollar deposit account.

		Un-audited September 30, 2022	Audited December 31, 2021
18.2 Cash and cash equivalents:	Note	(Rupees)	
Short term investments	17	18,088,475	-
Bank balances	18	2,169,027	27,915,950
Net cashflow from discontinued operations	10.1.5	(1,564,427)	-
Cash and cash equivalents in statement of cash flows		<u>18,693,075</u>	<u>27,915,950</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Un-audited Three months ended		Un-audited Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
19 TURNOVER - NET	(Rupees)			
Gross Energy Purchase Price	7,788,507,921	6,606,299,092	19,205,741,680	11,896,438,093
Less: Sales tax	(1,131,663,544)	(944,385,175)	(2,658,031,175)	(1,713,037,854)
	6,656,844,377	5,661,913,917	16,547,710,505	10,183,400,239
Capacity Purchase Price	1,637,018,734	951,580,105	3,675,296,195	2,826,718,461
	8,293,863,111	6,613,494,022	20,223,006,700	13,010,118,700
20 COST OF SALES				
Raw material consumed	6,409,438,890	5,275,217,072	15,728,704,423	9,503,903,577
Operation and maintenance	382,431,350	336,001,040	946,288,502	858,312,483
Salaries and other benefits	18,038,556	15,861,690	59,597,501	52,523,578
Electricity charges	8,205,088	3,663,021	32,543,211	32,295,831
Insurance expense	62,134,236	45,984,144	167,088,766	144,195,737
Depreciation	154,992,633	151,743,383	461,825,088	454,434,613
Office expenses	684,839	493,683	1,785,279	1,224,679
Travelling, conveyance and entertainment	776,037	449,109	1,598,417	1,315,751
Repair and maintenance	32,850	18,375	76,545	699,189
Communication	25,562	44,371	71,720	76,311
	7,036,760,041	5,829,475,888	17,399,579,452	11,048,981,749

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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, 2021. 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, 2021.

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

22 RELATED PARTY TRANSACTIONS

Related parties comprise of Saif Holding Limited, Saif Cement Limited, directors, key management personnel, entities over which directors are able to exercise significant influence and major shareholders. Balances and other arrangements with Orstar Limited have been disclosed in note 5.3, 6, and 10 to the financial statements. Transactions and balances with related parties other than those disclosed in note 6 and 10 to these condensed interim consolidated financial statements are as follows:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Transactions with related parties

Saif Holdings Limited - Associated Company

(23.01% shareholding-common directorship)

Draw down of loan during the period by Subsidiary Company

Interest accrued on loan by Subsidiary Company

Repayments during the period by Subsidiary Company

Dividend

Saif Textile Limited - Associated Company (Common directorship)

Dividend

Akbar Kare Institution - Associated Company (Common directorship)

Donation made by the Company

Wadaan Foundation - Associated Company (Common directorship)

Donation made by the Company

Teach For Pakistan - Associated Company (Common directorship)

Donation made by the Company

Key Management Personnel

Directors' meeting fee

Dividend to Directors

Remuneration including benefits and perquisites

Other Related Party

Contribution to Saif Power Limited - Staff Gratuity Fund

Un-audited	
Nine months ended	
September 30, 2022	September 30, 2021
(Rupees)	
31,980,000	-
4,038,375	-
2,545,957	-
1,210,220,399	337,554,405
1,050	250
5,100,000	4,500,000
1,665,000	1,665,000
500,000	500,000
950,000	850,000
352,460,583	63,663,375
58,476,682	51,370,742
12,654,746	393,541
Un-audited September 30, 2022	Audited December 30, 2021
Rupees	
8,554,035	12,654,746

Balances with related party

Payable to Saif Power Limited - Staff Gratuity Fund

23 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of directors of the Company, in its Board meeting held on October 27, 2022 has approved second interim cash dividend of Rs. 1.5 per share.

24 DATE OF AUTHORISATION

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors in their meeting held on October 27, 2022.



Chief Financial Officer



Chief Executive Officer



Director



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