



**Condensed Interim  
Financial Information**  
For First Quarter Ended  
March 31, 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	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, 3<sup>rd</sup> 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

1<sup>st</sup> 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 THREE MONTHS PERIOD ENDED MARCH 31, 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 March 31, 2023.

## SUMMARY OF FINANCIAL PERFORMANCE

Turnover of the Company was Rs. 2,055 million as compared to Rs. 1,152 million for the same period last year. Dispatch level was 8.04% as compared to 5.74% during the same period last year. Net loss during the period was Rs. 100 million as against net loss of Rs. 30 million for the comparable period of 2022. Loss per share for the period is Rs. 0.26 as compared to loss per share of Rs. 0.08 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.

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. 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.

Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) has applied 'Period Weighing Factors' (PWF) on monthly Capacity Purchase Price (CPP) of the Company since last year. As a result of this, different quarters will have different profit and loss figures. On annual basis, Company would bear a loss as PWF does not equal to 1 (one) in practice. Further, as explained in note 10.4, the Company has initiated the process of dispute resolution under Power Purchase Agreement and a request for Arbitration has been filed in LCIA.

Similarly, for deductions by CPPA-G on account of 'Heat Rate Correction Factor', as explained in note 10.3, in addition of obtaining stay order against these deductions from Civil Court, Islamabad, the Company has also initiated the process of dispute resolution under Power Purchase Agreement and a request for Arbitration has been filed in LCIA.

## KEY OPERATIONAL AND FINANCIAL DATA (STANDALONE)

	Three Months ended	
	Mar 31, 2023	Mar 31, 2022
	Rupees in Million	
Turnover	2,055	1,152
Net loss	(100)	(30)
Loss per share	(0.26)	(0.08)
Dispatch level	8.04%	5.74%
Capacity made available – GWHs	440	440

	March 31, 2023	December 31, 2022
	Rupees in Million	
Property, plant and equipment	11,342	11,302
Net worth	13,767	13,867
Short term borrowings	8,499	15,527

## KEY FINANCIAL HIGHLIGHTS DATA CONSOLIDATED

	Three Months ended	
	Mar 31, 2023	Mar 31, 2022
	Rupees in Million	
Turnover	2,055	1,152
Net (loss) / profit	(103)	201

	March 31, 2023	December 31, 2022
	Rupees in Million	
Property, plant and equipment	11,342	11,302
Net worth	14,000	14,102

## RECEIVABLES FROM POWER PURCHASER

The Company's total receivables are Rs. 12.62 billion (December 31, 2022: Rs. 11.6 billion) at the quarter end.

## INVESTMENT IN SAIF CEMENT LIMITED (SCL)


In 2021, the Board of Directors of the Company approved the proposal for sale of land and other assets of Saif Cement Ltd. (SCL) which was also 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,



Mrs. Hoor Yousafzai  
(Chairperson)

Islamabad  
April 27, 2023

## سیف سینٹ لمیٹڈ (SCL) میں سرمایہ کاری:

2021 میں، کمپنی کے بورڈ آف ڈائریکٹرز نے SCL کی زمین 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 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۔

## اظہارِ 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 سال 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

چیئر پرسن

اسلام آباد: 27 اپریل 2023ء

# حصص کنندگان کے لیے بورڈ آف ڈائریکٹرز کی رپورٹ

31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے

## مالیاتی جھلکیاں: (غیر مستحکم):

تین مہینے کے اختتام پر		
31 مارچ 2022ء	31 مارچ 2023ء	
(روپے ملین میں)		
1,152	2,055	کاروبار
(30)	(100)	خالص نقصان
(0.08)	(0.26)	فی شیئر نقصان
5.74 فیصد	8.04 فیصد	ترسیل کالیوں
440	440	دستیاب صلاحیت GWHS
31 دسمبر 2022ء		31 مارچ 2023ء
(روپے ملین میں)		
11,302	11,342	پراپرٹی، پلانٹ اور آلات
13,867	13,767	نیٹ مالیت
15,527	8,499	مختصر مدت کے قرضوں کے حصول

## مالیاتی جھلکیاں: (مستحکم):

تین مہینے کے اختتام پر		
31 مارچ 2022ء	31 مارچ 2023ء	
(روپے ملین میں)		
1,152	2,055	کاروبار
201	(103)	خالص (نقصان) / منافع
31 دسمبر 2022ء		31 مارچ 2023ء
1,302	11,342	پراپرٹی، پلانٹ اور آلات
14,102	14,000	نیٹ مالیت

## بجلی خریدار کی طرف سے وصولی:

کمپنی کی کل وصولی سہ ماہی کے اختتام پر 12.62 بلین روپے (2022: 11.6 بلین روپے) ہیں۔

# حصص کنندگان کے لیے بورڈ آف ڈائریکٹرز کی رپورٹ

31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے

بورڈ آف ڈائریکٹرز کو 31 مارچ 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 2,055 ملین روپے رہا اور اس کے مقابلے میں گزشتہ سال کی اسی مدت کے لیے 1,152 ملین روپے تھا۔ ڈسپینج کی سطح 8.04 فیصد رہی جو گزشتہ سال کی اسی مدت میں 5.74 فیصد تھی۔ اس مدت کے دوران خالص نقصان 100 ملین روپے رہا جو کہ گزشتہ سال 2022 کی اسی مدت میں خالص نقصان 30 ملین روپے تھا۔ اس مدت کے لیے فی شیئر نقصان 0.26 روپے رہا جو کہ گزشتہ سال کی تقابلی مدت میں فی شیئر نقصان 0.08 روپے تھا۔

## 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 (تنازعہ 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 ادارتوں 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 ایڈجسٹ نہیں کر سکتی۔ ثالثی ٹریبونل نے 22 اپریل 2022 کے اپنے فیصلے میں SNGPL سے اتفاق کیا ہے۔ SNGPL نے لاہور ہائی کورٹ میں درخواست دائر کی ہے، تاہم، کمپنی کو یقین ہے کہ بالآخر رقم کمپنی کے پاس ہی رہے گی۔

سینٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) نے گزشتہ سال سے کمپنی کی ماہانہ صلاحیت پراجیکٹ پرائس (CPP) پر 'پیریڈ ویجنگ فیکٹرز' (PWF) کا اطلاق کیا ہے۔ اس کے نتیجے میں، مختلف حلقوں میں نفع و نقصان کے اعداد و شمار مختلف ہوں گے۔ سالانہ بنیادوں پر، کمپنی کو نقصان اٹھانا پڑے گا کیونکہ PWF عملی طور پر 1 (ایک) کے برابر نہیں ہے۔ مزید، جیسا کہ نوٹ 10.4 میں وضاحت کی گئی ہے، کمپنی نے پاور پراجیکٹ ایگریمنٹ کے تحت تنازعات کے حل کا عمل شروع کیا ہے اور LCIA میں ثالثی کی درخواست دائر کی گئی ہے۔

اسی طرح، 'ہیٹ ریٹ کریکشن فیکٹر' کسی وجہ سے CPPA-G کی کٹوتیوں کے لیے، جیسا کہ نوٹ 10.3 میں واضح کیا گیا ہے، ان کٹوتیوں کے خلاف سول کورٹ، اسلام آباد سے حکم امتناعی حاصل کرنے کے علاوہ، کمپنی نے پاور پراجیکٹ ایگریمنٹ کے تحت تنازعات کے حل کا عمل شروع کیا ہے اور LCIA میں ثالثی کی درخواست دائر کی گئی ہے۔



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**CONDENSED INTERIM  
FINANCIAL STATEMENTS**  
FOR THE FIRST QUARTER ENDED  
MARCH 31, 2023

**SAIF POWER LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT MARCH 31, 2023

	Note	Un-audited March 31, 2023	Audited December 31, 2022
		(Rupees)	
<b>Share capital and reserves</b>			
Share capital		3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		8,636,210,394	9,001,248,625
Maintenance reserve		1,266,122,005	1,001,140,025
<b>Total equity</b>		<b>13,767,050,189</b>	<b>13,867,106,440</b>
<b>Liabilities</b>			
Subordinated loan	5	244,972,153	260,866,789
Lease liabilities		19,263,043	21,093,221
<b>Non-current liabilities</b>		<b>264,235,196</b>	<b>281,960,010</b>
Trade and other payables		894,110,381	308,712,514
Short term borrowings		8,499,226,010	15,526,546,088
Current portion of non-current liabilities		750,129,861	605,195,974
Markup accrued	6	1,232,398,440	1,054,652,926
Unclaimed and unpaid dividend	7	388,594,325	388,752,232
<b>Current liabilities</b>		<b>11,764,459,017</b>	<b>17,883,859,734</b>
Total liabilities		<b>12,028,694,213</b>	<b>18,165,819,744</b>
Total equity and liabilities		<b>25,795,744,402</b>	<b>32,032,926,184</b>
<b>Contingencies and commitments</b>			
	8		
<b>Assets</b>			
Property, plant and equipment	9	11,342,495,291	11,302,149,549
Right of use assets		41,440,366	44,570,395
<b>Non-current assets</b>		<b>11,383,935,657</b>	<b>11,346,719,944</b>
Stock in trade - HSD		400,211,550	400,211,550
Trade debts	10	12,616,916,564	11,647,458,624
Other receivables		538,542,106	505,647,636
Advances		7,695,732	1,525,773
Advance income tax		8,299,810	8,072,924
Trade deposits and prepayments		24,573,524	88,070,192
Short term investments		23,736,130	7,242,386,646
Bank balances		2,654,689	3,654,255
		<b>13,622,630,105</b>	<b>19,897,027,600</b>
Assets classified as held for sale		789,178,640	789,178,640
<b>Current assets</b>		<b>14,411,808,745</b>	<b>20,686,206,240</b>
<b>Total assets</b>		<b>25,795,744,402</b>	<b>32,032,926,184</b>

The annexed notes 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

		March 31, 2023	March 31, 2022 (Restated)
	Note	(Rupees)	(Rupees)
Turnover - net	11	2,055,012,584	1,151,898,795
Cost of sales		(1,536,403,219)	(962,267,749)
<b>Gross profit</b>		<b>518,609,365</b>	<b>189,631,046</b>
Other income		7,185,001	3,216,431
Administrative expenses		(47,966,193)	(37,513,081)
Finance cost		(577,884,424)	(185,079,495)
<b>Net loss for the period</b>		<b>(100,056,251)</b>	<b>(29,745,099)</b>
Loss per share - basic and diluted		<b>(0.26)</b>	<b>(0.08)</b>

The annexed notes 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022 (Restated)
	(Rupees)	(Rupees)
Loss for the period	(100,056,251)	(29,745,099)
Other comprehensive income for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(100,056,251)</b>	<b>(29,745,099)</b>

The annexed notes 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022 (Restated)
Note	(Rupees)	
<b>Cash flows from operating activities</b>		
Loss for the period	(100,056,251)	(29,745,099)
<b>Adjustments for non-cash income and expenses:</b>		
Provision for staff retirement benefits - gratuity	2,812,362	2,851,347
Depreciation - property, plant and equipment	157,110,193	153,224,118
Depreciation - right of use assets	3,130,029	3,451,606
Finance cost	577,884,424	185,079,495
Gain on disposal of property, plant and equipment	(63,000)	(754,895)
Insurance claim	-	(98,121)
Profit on deposit accounts	(113,963)	-
Return on investments	(7,008,038)	(2,363,415)
	<b>633,695,756</b>	<b>311,645,036</b>
<b>Changes in working capital:</b>		
Trade debts	(969,457,940)	3,367,163,560
Other receivable	(32,894,470)	(27,332,886)
Advances	(6,169,959)	751,564
Trade deposits and prepayments	63,496,668	48,260,108
Trade and other payables	583,731,255	607,155,306
<b>Cash generated from operations</b>	<b>272,401,310</b>	<b>4,307,642,688</b>
Income taxes paid	(226,886)	(619,995)
Finance cost paid	(400,138,910)	(239,301,177)
<b>Net cash (used in ) / generated from operating activities</b>	<b>(127,964,486)</b>	<b>4,067,721,516</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	167,000	(358,210)
Acquisition of right of use assets	-	(569,428)
Change in long term deposits	-	(1,091,800)
Proceeds from sale of property, plant and equipment	-	(200,750)
Investment in subsidiary	-	1,909,258
Insurance claim received	63,000	-
Profit on deposit accounts	113,963	231,833
Return on investments - receipt	7,008,038	2,363,415
<b>Net cash generated from investing activities</b>	<b>7,352,001</b>	<b>2,284,318</b>
<b>Cash flows from financing activities</b>		
Repayment of long term financing	(65,216,870)	(50,859,960)
Dividend paid	(157,907)	(1,928,626,651)
Short term borrowings - net	(7,027,320,078)	(3,085,605,877)
Lease liabilities paid	(6,342,742)	(5,348,462)
<b>Net cash used in financing activities</b>	<b>(7,099,037,597)</b>	<b>(5,070,440,950)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(7,219,650,082)</b>	<b>(1,000,435,116)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>7,246,040,901</b>	<b>1,017,051,048</b>
<b>Cash and cash equivalents at end of the period</b>	<b>26,390,819</b>	<b>16,615,932</b>

The annexed notes 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	Share capital	Unappropriated profit - revenue reserve	Maintenance reserve	Total equity
	(Rupees)			
<b>Balance as at January 1, 2022 (Audited)</b>	3,864,717,790	12,071,615,237	-	15,936,333,027
Loss for the period	-	(29,745,099)	-	(29,745,099)
Other comprehensive Income /(loss) for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	(29,745,099)	-	(29,745,099)
<b>Transaction with owners of the Company</b>				
<b>Distributions</b>				
2nd interim dividend - 2021 @ Rs. 5 per share	-	(1,932,358,895)	-	(1,932,358,895)
<b>Total distributions</b>	-	(1,932,358,895)	-	(1,932,358,895)
Transfer from unappropriated profit to maintenance reserve	-	(23,241,599)	23,241,599	-
<b>Balance as at March 31, 2022 - (Un- audited)</b>	<u>3,864,717,790</u>	<u>10,086,269,644</u>	<u>23,241,599</u>	<u>13,974,229,033</u>
<b>Balance as at January 1, 2023 - (Audited)</b>	<b>3,864,717,790</b>	<b>9,001,248,625</b>	<b>1,001,140,025</b>	<b>13,867,106,440</b>
Loss for the period	-	(100,056,251)	-	(100,056,251)
Other comprehensive Income /(loss) for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	(100,056,251)	-	(100,056,251)
<b>Transfer from unappropriated profit to maintenance reserve</b>	-	(264,981,980)	264,981,980	
<b>Balance as at March 31, 2023 - (Un- audited)</b>	<u><b>3,864,717,790</b></u>	<u><b>8,636,210,394</b></u>	<u><b>1,266,122,005</b></u>	<u><b>13,767,050,189</b></u>

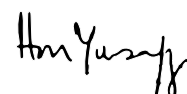
The annexed notes 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 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 condensed interim financial statements of the Company for the first quarter ended March 31, 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 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, 2022.

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. 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 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 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, 2022.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees)		
<b>5. SUBORDINATED LOAN - UNSECURED</b>		
Balance at January 01	847,818,615	869,505,348
Exchange loss capitalised during the period / year	197,288,935	208,323,050
Repayment during the period / year	(65,216,870)	(230,009,783)
	<u>979,890,680</u>	<u>847,818,615</u>
Current portion of subordinated loan	(734,918,527)	(586,951,826)
Balance	<u>244,972,153</u>	<u>260,866,789</u>

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

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees)		
<b>6. MARKUP ACCRUED</b>		
Markup on sub-ordinated loan	888,835,633	699,600,170
Markup on short term financing	343,562,807	355,052,756
	<u>1,232,398,440</u>	<u>1,054,652,926</u>

## 7. UNCLAIMED AND UNPAID DIVIDEND

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

## 8. CONTINGENCIES AND COMMITMENTS

All contingencies and commitments are same as those disclosed in financial statements for the year ended December 31, 2022 except for the contingent liability 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. 115.10 million (December 31, 2022: Rs. 114.48 million).

	Un-audited March 31, 2023	Audited December 31, 2022
(Rupees)		
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
Balance at January 01	11,302,149,549	11,710,519,365
Additions during the period / year	167,000	2,483,009
Net book value of assets disposed off	-	(131,379)
Depreciation for the period / year	(157,110,193)	(619,044,496)
Capitalization of exchange loss	197,288,935	208,323,050
<b>Balance at March 31 / December 31</b>	<u>11,342,495,291</u>	<u>11,302,149,549</u>

## 10. TRADE DEBTS

Central Power Purchasing Agency-Guarantee (CPPA-G)	10.1	<u>12,616,916,564</u>	<u>11,647,458,624</u>
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10.1 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 KIBOR+2% per annum for first 60 days and KIBOR+4.5% per annum afterwards except for 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. As referred in note 3.1.1, SECP has exempted the applicability of expected credit loss allowance on trade debts due directly / ultimately from GoP. Trade debts include unbilled receivable amount of Rs. 2,338 million ( December 31, 2022: Rs. 1,336 million).



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

**10.2** 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.

Subsequently, Company set-off that amount 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 decision dated April 22, 2022. The 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 the Company is confident that ultimately the money will be retained by the Company.

**10.3** Trade debts include Rs. 344.67 million (December 31, 2022: Rs. 344.67 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. The Company initiated the process of dispute resolution under Power Purchase Agreement and a request for Arbitration has been filed in LCIA. Further, the Company has also obtained stay order against these deductions from Civil Court, Islamabad on October 06, 2022. 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.

**10.4** CPPA-G has incorrectly applied period weighing factors (PWF) on capacity purchase price invoices during the year 2022 which resulted in capacity loss of Rs. 97.48 million (December 31, 2022: Rs. 97.48 million) to the Company. This application of PWF on capacity invoices resulted in shortfall of the Company's entitled capacity which is contrary to the relevant provisions of the PPA. Based on management assessment, the management is confident regarding the favorable resolution of the matter and has accordingly recognized such shortfall of Rs. 97.48 million as revenue. The Company has also initiated the process of dispute resolution under PPA and request for Arbitration has been filed in LCIA.

	Un-audited March 31, 2023	Un-audited March 31, 2022
	(Rupees)	
<b>11. TURNOVER - NET</b>		
Gross Energy purchase price	1,210,249,808	635,049,220
Less: Sales tax	(179,445,356)	(91,833,474)
	<u>1,030,804,452</u>	<u>543,215,746</u>
Capacity Purchase Price	1,024,208,132	608,683,049
	<u>2,055,012,584</u>	<u>1,151,898,795</u>
	Un-audited March 31, 2023	Un-audited March 31, 2022
	(Rupees)	
<b>12. CASH AND CASH EQUIVALENTS</b>		
Short term investments	23,736,130	16,055,604
Bank balances	2,654,689	560,328
<i>Cash and cash equivalents in the statement of cash flows</i>	<u>26,390,819</u>	<u>16,615,932</u>

### 13. 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.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

## 14. RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in the condensed interim financial statements, are as follows:

	Un-audited March 31, 2023	Un-audited March 31, 2022
	(Rupees)	
<b>Transactions with related parties</b>		
<b>Saif Holdings Limited</b> - dividend paid	-	675,106,310
<b>Saif Textile Mills Limited</b> - dividend paid	-	500
<b>Akbar Kare Institution</b> - donation made by the Company	2,100,000	1,500,000
<b>Waddan Foundation</b> - donation made by the Company	555,000	555,000
<b>Key Management Personnel</b>		
Dividend paid to directors	-	127,326,750
Directors' meeting fee	325,000	250,000
Remuneration including benefits and perquisites to key management personnel	16,468,594	16,039,887
<b>Others</b>		
Remuneration and reimbursable expenses	9,534,172	7,219,764
Dividend paid to other related parties	-	184,040,295
	<b>Un-audited March 31, 2023</b>	<b>Audited December 31, 2022</b>
<b>Balances with related parties</b>	(Rupees)	
Payable to Saif Power Limited - Staff Gratuity Fund	9,617,619	6,805,257

## 15. DATE OF APPROVAL OF FINANCIAL STATEMENTS


These condensed interim financial statements were approved and authorized for issue by the Board of Directors in their meeting held on April 27, 2023.



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**  
FOR THE FIRST QUARTER ENDED  
MARCH 31, 2023

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

		Un-audited March 31, 2023	Audited December 31, 2022
	Note	(Rupees)	
<b>Share capital and reserves</b>			
Share capital		3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		8,832,453,396	9,199,811,049
Maintenance reserve		1,266,122,005	1,001,140,025
Equity attributable to the owners of the Company		13,963,293,191	14,065,668,864
Non controlling interest		36,426,496	36,608,196
Total equity		13,999,719,687	14,102,277,060
<b>Liabilities</b>			
Subordinated loan	5	244,972,153	260,866,789
Lease liabilities		19,263,043	21,093,221
Non-current liabilities		264,235,196	281,960,010
Trade and other payables		894,110,381	308,712,514
Short term borrowings		8,499,226,010	15,526,546,088
Current portion of non-current liabilities		750,129,861	605,195,974
Markup accrued	6	1,232,398,440	1,054,652,926
Unclaimed and unpaid dividend	7	388,594,325	388,752,232
		11,764,459,017	17,883,859,734
Liabilities directly associated with the asset held for sale	8	97,139,628	91,711,296
		11,861,598,645	17,975,571,030
<b>Current liabilities</b>		11,861,598,645	17,975,571,030
<b>Total liabilities</b>		12,125,833,841	18,257,531,040
<b>Total equity and liabilities</b>		26,125,553,528	32,359,808,100
<b>Contingencies and commitments</b>			
	9		
<b>Assets</b>			
Property, plant and equipment	10	11,342,495,291	11,302,149,549
Right of use assets		41,440,366	44,570,395
<b>Non-current assets</b>		11,383,935,657	11,346,719,944
Stock in trade - HSD		400,211,550	400,211,550
Trade debts	11	12,616,916,564	11,647,458,624
Other receivables		538,542,106	505,647,636
Advances		7,695,732	1,525,773
Advance income tax		8,299,810	8,072,924
Trade deposits and prepayments		24,573,524	88,070,192
Short term investments		23,736,130	7,242,386,646
Bank balances		2,654,689	3,654,255
		13,622,630,105	19,897,027,600
Assets held for sale		1,118,987,766	1,116,060,556
<b>Current assets</b>		14,741,617,871	21,013,088,156
<b>Total assets</b>		26,125,553,528	32,359,808,100

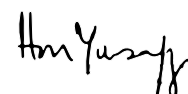
The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	Un-audited March 31, 2023	Un-audited March 31, 2022 (Restated)
Note	(Rupees)	
<b>Continuing operations</b>		
Turnover - net	2,055,012,584	1,151,898,795
Cost of sales	(1,536,403,219)	(962,267,749)
<b>Gross profit</b>	<b>518,609,365</b>	<b>189,631,046</b>
Other income	7,185,001	3,216,431
Administrative expenses	(47,966,193)	(37,513,081)
Finance cost	(577,884,424)	(185,079,495)
<b>Loss for the period - from continuing operations</b>	<b>(100,056,251)</b>	<b>(29,745,099)</b>
<b>Discontinued operations</b>		
(Loss) / profit for the period - from discontinued operations	(2,406,400)	231,061,619
<b>(Loss) / profit for the period</b>	<b>(102,462,651)</b>	<b>201,316,520</b>
<b>(Loss) / profit attributable to:</b>		
<b>Loss from continuing operations</b>		
- Owners of the Company	(100,056,251)	(29,745,099)
<b>(Loss) / profit from discontinued operations</b>		
- Owners of the Company	(2,319,422)	222,710,294
- Non-controlling interest	(181,700)	8,351,325
	(2,501,122)	231,061,619
	<b>(102,557,373)</b>	<b>201,316,520</b>
<b>Earnings / (loss) per share - basic and diluted</b>		
-continuing operations	(0.26)	(0.08)
-discontinuing operations	(0.01)	0.58
	<b>(0.26)</b>	<b>0.50</b>

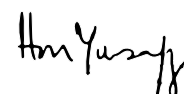
The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022 (Restated)
	(Rupees)	
Loss / (profit) for the period	(102,557,373)	201,316,520
Other comprehensive income / (loss) for the period	-	-
Total comprehensive (loss) / income for the period	(102,557,373)	201,316,520
Total comprehensive (loss) / income attributable to:		
- Owners of the Company	(102,375,673)	192,965,195
- Non-controlling interests	(181,700)	8,351,325
	(102,557,373)	201,316,520
Total comprehensive (loss) / income arises from:		
- Continued operations	(100,056,251)	(29,745,099)
- Discontinued operations	(2,501,122)	231,061,619
	(102,557,373)	201,316,520

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022 (Restated)
Note	(Rupees)	
<b>Cash flows from operating activities</b>		
Loss for the period	(100,056,251)	(29,745,099)
<b>Adjustments for non-cash income and expenses:</b>		
Provision for staff retirement benefits - gratuity	2,812,362	2,851,347
Depreciation - property, plant and equipment	157,110,193	153,224,118
Depreciation - right of use assets	3,130,029	3,451,606
Finance cost	577,884,424	185,079,495
Gain on disposal of property, plant and equipment	(63,000)	(754,895)
Insurance claim	-	(98,121)
Profit on deposit accounts	(113,963)	-
Return on investments	(7,008,038)	(2,363,415)
	<b>633,695,756</b>	<b>311,645,036</b>
<b>Changes in working capital:</b>		
Trade debts	(969,457,940)	3,367,163,560
Other receivable	(32,894,470)	(27,332,886)
Advances	(6,169,959)	751,564
Trade deposits and prepayments	63,496,668	48,260,108
Trade and other payables	584,340,957	607,155,306
Discontinued operations	(85,073)	(12,249,258)
<b>Cash generated from operations</b>	<b>272,925,939</b>	<b>4,295,393,430</b>
Income taxes paid	(226,886)	(619,995)
Finance cost paid	(400,138,910)	(239,301,178)
<b>Net cash (used in ) / generated from operating activities</b>	<b>(127,439,857)</b>	<b>4,055,472,257</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	167,000	(358,210)
Acquisition of right of use assets	-	(569,428)
Change in long term deposits	-	(1,091,800)
Proceeds from sale of property, plant and equipment	-	(200,750)
Investment in subsidiary	-	1,909,258
Insurance claim received	63,000	-
Profit on deposit accounts	113,963	231,833
Return on investments - receipt	7,008,038	2,363,415
Discontinued operations	(5,524,629)	(5,666,566)
<b>Net cash generated from investing activities</b>	<b>1,827,372</b>	<b>(3,382,248)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term financing	(65,216,870)	(50,859,960)
Dividend paid	(157,907)	(1,928,626,651)
Short term borrowings - net	(7,027,320,078)	(3,085,605,877)
Lease liabilities paid	(6,342,742)	(5,348,462)
Discontinued operations	5,000,000	17,684,462
<b>Net cash used in financing activities</b>	<b>(7,094,037,597)</b>	<b>(5,052,756,488)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(7,219,650,082)</b>	<b>(1,000,666,479)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>7,907,726,217</b>	<b>1,029,421,002</b>
<b>Cash and cash equivalents at end of the period</b>	<b>688,076,135</b>	<b>28,754,523</b>

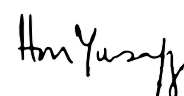
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Chief Financial Officer



Chief Executive Officer



Director

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

	Share capital	Unappropriated profit-revenue reserve	Maintenance reserve	Non-Controlling interest	Total equity
	(Rupees)				
<b>Balance as at January 1, 2022 (Audited)</b>	3,864,717,790	12,060,963,611	-	28,762,669	15,954,444,070
Profit / (loss) for the period	-	192,965,195	-	8,351,325	201,316,520
Other comprehensive income / (loss) for the period	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	192,965,195	-	8,351,325	201,316,520
<b>Transaction with owners of the Company</b>					
<b>Distributions</b>					
2nd interim dividend - 2021 @ Rs. 5 per share	-	(1,932,358,895)	-	-	(1,932,358,895)
<b>Total distributions</b>	-	(1,932,358,895)	-	-	(1,932,358,895)
Transfer from unappropriated profit to maintenance reserve	-	(23,241,599)	23,241,599	-	-
<b>Balance as at March 31, 2022 - (Un-audited)</b>	<u>3,864,717,790</u>	<u>10,298,328,312</u>	<u>23,241,599</u>	<u>37,113,994</u>	<u>14,223,401,695</u>
<b>Balance as at January 1, 2023 - (Audited)</b>					
<b>Balance as at January 1, 2023 - (Audited)</b>	<b>3,864,717,790</b>	<b>9,199,811,049</b>	<b>1,001,140,025</b>	<b>36,608,196</b>	<b>14,102,277,060</b>
Profit / (loss) for the period	-	(102,375,673)	-	(181,700)	(102,557,373)
Other comprehensive Income / (loss) for the period	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(102,375,673)</b>	-	<b>(181,700)</b>	<b>(102,557,373)</b>
<b>Transfer from unappropriated profit to maintenance reserve</b>	-	<b>(264,981,980)</b>	<b>264,981,980</b>	-	-
<b>Balance as at March 31, 2023 - (Un-audited)</b>	<u><b>3,864,717,790</b></u>	<u><b>8,832,453,396</b></u>	<u><b>1,266,122,005</b></u>	<u><b>36,426,496</b></u>	<u><b>13,999,719,687</b></u>

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 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 (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 Saiduwali Village Tehsil Paharpur, District Dera Ismail Khan, Khyber Pakhtoonkhawa, 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.

## 3. BASIS OF PREPARATION

These condensed interim consolidated 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 condensed interim consolidated financial statements should be read in conjunction with the Company’s latest annual consolidated financial statements as at and for the year ended December 31, 2022.

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.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 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 condensed interim consolidated 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, 2022.

	Un-audited March 31, 2023	Audited December 31, 2022
	(Rupees)	
<b>5. SUBORDINATED LOAN - UNSECURED</b>		
Balance at January 01	847,818,615	869,505,348
Exchange loss capitalised during the period / year	197,288,935	208,323,050
Repayment during the period / year	(65,216,870)	(230,009,783)
	<u>979,890,680</u>	847,818,615
Current portion of subordinated loan	(734,918,527)	(586,951,826)
Balance	<u>244,972,153</u>	<u>260,866,789</u>

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

	Un-audited March 31, 2023	Audited December 31, 2022
	(Rupees)	
<b>6. MARKUP ACCRUED</b>		
Markup on sub-ordinated loan	888,835,633	699,600,170
Markup on short term financing	343,562,807	355,052,756
	<u>1,232,398,440</u>	<u>1,054,652,926</u>

## 7. UNCLAIMED AND UNPAID DIVIDEND

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

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

		Un-audited March 31, 2023	Audited December 31, 2022
		(Rupees)	
<b>8. DISCONTINUED OPERATIONS</b>			
<i>Liabilities directly associated with the asset held for sale;</i>			
Gratuity payable		231,813	1,323,813
Lease liabilities		-	-
Loan from related party		61,300,000	55,826,961
Trade and other payables		35,607,815	34,560,522
		<b>97,139,628</b>	<b>91,711,296</b>
<i>Assets held for sale;</i>			
Property, plant and equipment		411,795,571	407,444,950
Project transaction costs		11,253,607	11,253,607
Advances to employees		10,000	-
Advance tax		22,712,354	22,665,029
Other receivable		-	871,033
Short term investment		10,526,316	10,526,316
Cash and bank balances		651,159,000	651,768,703
Goodwill		11,530,918	11,530,918
		<b>1,118,987,766</b>	<b>1,116,060,556</b>
		Un-audited March 31, 2023	Un-audited March 31, 2022
		(Rupees)	
<i>Profit / (loss) for the period</i>			
Other income		315,501	232,617,719
Administrative expenses		(21,901)	(521,922)
Finance cost		(2,700,000)	(1,034,178)
<b>(Loss) / profit for the period</b>		<b>(2,406,400)</b>	<b>231,061,619</b>
<i>Other comprehensive (loss) / income for the period</i>			
(Loss) / profit for the period		(2,406,400)	231,061,619
Remeasurement of defined benefit liability		-	-
<b>Total comprehensive (loss) / income</b>		<b>(2,406,400)</b>	<b>231,061,619</b>
<i>Cash flows from / (used in)</i>			
Net cash used in operating activities		(85,073)	(12,249,258)
Net cash (used in) / generated from investing activities		(5,524,629)	(5,666,566)
Net cash generated from financing activities		5,000,000	17,684,462
<b>Net cashflows for the year</b>		<b>(609,702)</b>	<b>(231,362)</b>
<b>9. CONTINGENCIES AND COMMITMENTS</b>			
All contingencies and commitments are same as those disclosed in the consolidated financial statements for the year ended December 31, 2022 except for the contingent liability 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. 115.10 million (December 31, 2022: Rs. 114.48 million).			
		Un-audited March 31, 2023	Audited December 31, 2022
		(Rupees)	
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>	Note		
Balance at January 01		11,302,149,549	11,710,519,365
Additions during the period / year		167,000	2,483,009
Net book value of assets disposed off		-	(131,379)
Depreciation for the period / year		(157,110,193)	(619,044,496)
Capitalization of exchange loss		197,288,935	208,323,050
<b>Balance at March 31 / December 31</b>		<b>11,342,495,291</b>	<b>11,302,149,549</b>
<b>11. TRADE DEBTS</b>			
Central Power Purchasing Agency-Guarantee (CPPA-G)	11.1	12,616,916,564	11,647,458,624

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

**11.1** 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 KIBOR+2% per annum for first 60 days and KIBOR+4.5% per annum afterwards except for 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. As referred in note 3.1.1, SECP has exempted the applicability of expected credit loss allowance on trade debts due directly / ultimately from GoP. Trade debts include unbilled receivable amount of Rs. 2,338 million ( December 31, 2022: Rs. 1,336 million).

**11.2** 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.

Subsequently, Company set-off that amount 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 decision dated April 22, 2022. The 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 the Company is confident that ultimately the money will be retained by the Company.

**11.3** Trade debts include Rs. 344.67 million (December 31, 2022: Rs. 344.67 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. The Company initiated the process of dispute resolution under Power Purchase Agreement and a request for Arbitration has been filed in LCIA. Further, the Company has also obtained stay order against these deductions from Civil Court, Islamabad on October 06, 2022. 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.

**11.4** CPPA-G has incorrectly applied period weighing factors (PWF) on capacity purchase price invoices during the year 2022 which resulted in capacity loss of Rs. 97.48 million (December 31, 2022: Rs. 97.48 million) to the Company. This application of PWF on capacity invoices resulted in shortfall of the Company's entitled capacity which is contrary to the relevant provisions of the PPA. Based on management assessment, the management is confident regarding the favorable resolution of the matter and has accordingly recognized such shortfall of Rs. 97.48 million as revenue. The Company has also initiated the process of dispute resolution under PPA and request for Arbitration has been filed in LCIA.

	Un-audited March 31, 2023	Un-audited March 31, 2022
	(Rupees)	
<b>12. TURNOVER - NET</b>		
Gross Energy purchase price	1,210,249,808	635,049,220
Less: Sales tax	(179,445,356)	(91,833,474)
	<u>1,030,804,452</u>	<u>543,215,746</u>
Capacity Purchase Price	1,024,208,132	608,683,049
	<u>2,055,012,584</u>	<u>1,151,898,795</u>
<b>13. CASH AND CASH EQUIVALENTS</b>		
Short term investments	34,262,446	26,581,920
Bank balances	653,813,689	2,172,603
Cash and cash equivalents in the statement of cash flows	<u>688,076,135</u>	<u>28,754,523</u>

## 14. 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.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2023

## 15. RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in the condensed interim financial statements, are as follows:

	Un-audited March 31, 2023	Un-audited March 31, 2022
	(Rupees)	
<b>Transactions with related parties</b>		
<b>Saif Holdings Limited</b>		
Dividend	-	675,106,310
Drawdown of loan during the period	5,000,000	18,000,000
Interest accrued on loan	2,700,000	310,572
Loan repaid during the period	2,226,961	-
<b>Saif Textile Mills Limited</b> - dividend paid		
	-	500
<b>Akbar Kare Institution</b> - donation made by the Company		
	2,100,000	1,500,000
Waddan Foundation - donation made by the Company		
	555,000	555,000
<b>Key Management Personnel</b>		
Dividend paid to directors	-	127,326,750
Directors' meeting fee	325,000	250,000
Remuneration including benefits and perquisites to key management personnel	16,468,594	16,039,887
<b>Others</b>		
Remuneration and reimbursable expenses	9,534,172	7,219,764
Dividend paid to other related parties	-	184,040,295
	<b>Un-audited March 31, 2023</b>	<b>Audited December 31, 2022</b>
	(Rupees)	
<b>Balances with related parties</b>		
Payable to Saif Power Limited - Staff Gratuity Fund	9,617,619	6,805,257

## 16. DATE OF APPROVAL OF FINANCIAL STATEMENTS

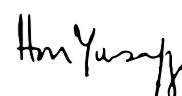
These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors in their meeting held on April 27, 2023.



Chief Financial Officer



Chief Executive Officer



Director



## **SAIF POWER LIMITED**

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