

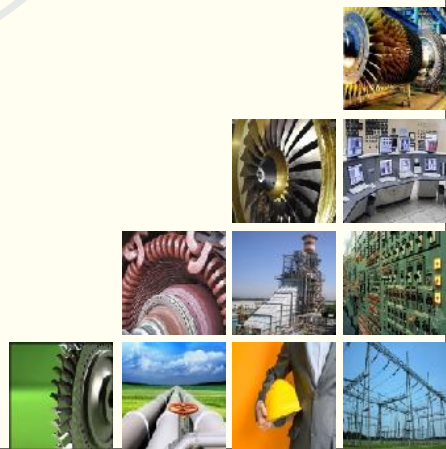
QUARTERLY REPORT

MARCH 31, 2015



SAIF POWER LIMITED

A Saif Group Company



CONTENTS

Corporate Information	1
Directors' Report to the Members	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Salim Saifullah Khan	Chairman
Mr. Anwar Saifullah Khan	Director
Mr. Javed Saifullah Khan	Director
Mr. Omar Saifullah Khan	CEO/Director
Ms. Hoor Yousafzai	Director
Mr. Osman Saifullah Khan	Director
Mr. Jehangir Saifullah Khan	Director

AUDIT COMMITTEE

Mr. Javed Saifullah Khan	Chairman
Mr. Salim Saifullah Khan	Member
Ms. Hoor Yousafzai	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Salim Saifullah Khan	Chairman
Mr. Jehangir Saifullah Khan	Member
Ms. Hoor Yousafzai	Member

CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER

Mr. Sohail H Hydari

COMPANY SECRETARY

Mr. Sabir Khan

AUDITORS

M/s KPMG Taseer Hadi & Co
Chartered Accountants
State life building no 6
Jinnah Avenue
Islamabad

LEGAL ADVISORS

M/s Cornelius, Lane & Mufti
Advocates & Solicitors

M/s Slahauddin, Saif & Aslam
Attorneys at Law

REGISTERED / HEAD OFFICE

4th Floor Kulsum Plaza,
Jinnah Avenue, Blue Area
Islamabad Pakistan
Tel: +92-51-2342155-60
Fax: +92-51-2342177
Email: info.spl@saifgroup.com

WEBSITE

<http://www.saifgroup.com/power.php>

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Albaraka (Pakistan) Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Ltd
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company
Pak Oman Investment Company Ltd.
Saudi Pak Industrial and Agricultural
Investment Company Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

SHARE REGISTRAR

THK Associates (Pvt.) Ltd.
2nd Floor, State Life Building No.3
Dr. Ziauddin Ahmed Road
Karachi, Pakistan
Tel: +92-21-111-000-322
Fax: +91-21-35655595
Email: secretariat@thk.com.pk

PLANT LOCATION

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

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of Saif Power Limited (SPL) is pleased to present this Report with the condensed interim financial information of the Company for the first quarter ended March 31, 2015.

PRINCIPAL ACTIVITY

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

SUMMARY OF FINANCIAL PERFORMANCE

The Company, during the period, had net turnover of Rs.4,298.59 million (2014: Rs.3,920.58 million) with operating cost of Rs.3,428.14 million (2014: Rs.2,962.46 million) and resulting in a gross profit of Rs. 870.44 million (2014: Rs. 958.11million). The Company earned net profit of Rs.541.107 million (EPS: Rs.1.40) compared to Rs.516.82 million (EPS: Rs.1.34) preceding period.

KEY OPERATIONAL AND FINANCIAL DATA

	2015 (Rs. in M)	2014 (Rs. in M)
Turnover	4,298	3,920
Net Profit	541	516
Property, Plant and Equipment	15,216	15,353
Net worth	7,510	6,969
Long term financing	9,249	9,529
Short term borrowings	1,441	1,508
Earnings per share -Rs.	1.40	1.34
Dispatch Level	48.36%	26.85%
Capacity Made Available-GWHS	473	473

Included in trade debts is:

- An amount of Rs 477.56 million deducted by the Power Purchaser from the Capacity Purchase Price (CPP) Invoices during year ended December 31, 2012; and
- An amount of Rs. 239.68 million relating to capacity purchase price not acknowledged by NTDC during the year ended December 31, 2011.

Legal advice in both cases is strong that these payments will eventually be recovered as Power Purchaser's grounds are not sustainable.

APPROPRIATION

The board of directors has declared an interim cash dividend of 15%.

For and on behalf of the Board of Directors

Islamabad
April 14, 2015

JAVED SAIFULLAH KHAN
Director

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

		Un-audited March 31, 2015 Rupees	Audited December 31, 2014 Rupees
	Note	<u> </u>	<u> </u>
SHARE CAPITAL AND RESERVES			
Share capital		3,864,717,790	3,864,717,790
Unappropriated profit		3,645,405,521	3,104,298,218
		7,510,123,311	6,969,016,008
NON-CURRENT LIABILITIES			
Long term financing - secured	5	7,487,714,358	7,823,222,914
Sub-ordinated loan - unsecured		188,859,797	186,817,068
Liabilities against assets subject to finance lease - secured		4,852,499	3,264,359
Deferred liability - gratuity		25,813,287	24,192,509
		7,707,239,941	8,037,496,850
CURRENT LIABILITIES			
Trade and other payables	6	1,202,457,647	1,637,815,456
Markup accrued		460,477,552	519,723,387
Short term borrowings - secured		1,441,180,411	1,508,332,599
Current portion of non-current liabilities		2,276,340,658	2,214,983,990
		5,380,456,268	5,880,855,432
		20,597,819,520	20,887,368,290
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such this condensed interim financial information, as approved by the Board of Directors, has been signed by two Directors.

DIRECTOR

DIRECTOR

	Note	Un-audited March 31, 2015 Rupees	Audited December 31, 2014 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,215,877,777	15,353,286,600
Intangible assets		-	213,252
Long term deposits		709,000	511,800
		15,216,586,777	15,354,011,652
CURRENT ASSETS			
Stock in trade - HSD		106,879,350	228,163,546
Trade debts, secured-considered good		4,390,663,278	4,417,254,552
Advances - considered good		24,904,955	5,165,045
Trade deposits and short term prepayments		17,714,888	59,603,763
Other receivables		526,557,898	281,995,598
Advance income tax		10,635,981	7,366,171
Other financial assets		100,000,000	319,968,992
Bank balances		203,876,393	213,838,971
		5,381,232,743	5,533,356,638
		20,597,819,520	20,887,368,290

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED MARCH 31, 2015

	Note	Un-audited March 31, 2015 Rupees	Audited March 31, 2014 Rupees
		<u> </u>	<u> </u>
Turnover - net		4,298,589,353	3,920,576,884
Cost of sales	9	(3,428,146,446)	(2,962,464,078)
Gross profit		870,442,907	958,112,806
Administrative expenses		(18,794,445)	(17,796,270)
Finance cost		(334,797,283)	(439,776,748)
Other income		24,256,124	16,279,184
Profit for the year		541,107,303	516,818,972
Earnings per share- basic and diluted	10	1.40	1.34

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such this condensed interim financial information, as approved by the Board of Directors, has been signed by two Directors.

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED MARCH 31, 2015

	Un-audited March 31, 2015 Rupees	Audited March 31, 2014 Rupees
Profit for the period	541,107,303	516,818,972
Other comprehensive income for the period		
<i>Items that will never be reclassified to profit and loss account</i>		
Remeasurements of defined benefit liability	-	333,720
Total comprehensive income for the period	541,107,303	517,152,692

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such this condensed interim financial information, as approved by the Board of Directors, has been signed by two Directors.

DIRECTOR

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED MARCH 31, 2015

Note	Un-audited March 31, 2015 Rupees	Audited March 31, 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net cash generated from/(used in) operating activities	93,331,468	(533,913,774)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,060,719)	(1,393,732)
Proceeds from disposal of property, plant and equipment	-	335,264
Longterm deposits	(197,200)	-
Profit on deposit accounts	10,249,368	239,104
Return on investments - receipt	14,006,756	6,792,125
Net cash generated from investing activities	21,998,205	5,972,761
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(279,533,385)	(241,660,922)
Short term borrowings - net	(67,152,188)	497,630,974
Repayment of liabilities against assets subject to finance lease	1,424,330	(355,037)
Net cash generated/(used in) financing activities	(345,261,243)	255,615,015
Net (decrease) / increase in cash and cash equivalents	(229,931,570)	(272,325,998)
Cash and cash equivalents at beginning of the period	533,807,963	692,768,964
Cash and cash equivalents at end of the period	303,876,393	420,442,966

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such this condensed interim financial information, as approved by the Board of Directors, has been signed by two Directors.

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED MARCH 31, 2015

	Share capital Rupees	Unappropriated profit Rupees	Total Rupees
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Balance at 01 January 2014-audited	3,864,717,790	2,469,683,830	6,334,401,620
Profit for the first quarter	-	516,818,972	516,818,972
Other comprehensive income	-	333,720	333,720
Total comprehensive income for the period	-	517,152,692	517,152,692
Balance at 31 March 2014-audited	3,864,717,790	2,986,836,522	6,851,554,312
Balance at 01 January 2015-audited	3,864,717,790	3,104,298,218	6,969,016,008
Profit for the first quarter	-	541,107,303	541,107,303
Other comprehensive income	-	-	-
Total comprehensive income	-	541,107,303	541,107,303
Balance at 31 March 2015-un-audited	3,864,717,790	3,645,405,521	7,510,123,311

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such this condensed interim financial information, as approved by the Board of Directors, has been signed by two Directors.

DIRECTOR

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED MARCH 31, 2015

1 STATUS AND NATURE OF OPERATIONS

Saif Power Limited ("the Company") was incorporated in Pakistan on November 11, 2004 as a public limited Company under the Companies Ordinance 1984. During the preceding year, the Company got itself listed on the Karachi Stock Exchange Limited and effective December 15, 2014 trading of its shares started on the Exchange. Pursuant to Offer for sale during the preceding year, 12.5% of the Company's share are being held by General Public and Institutional Investors. The principal activities of the Company are to own, operate and maintain combined cycle power plant having nameplate capacity of 225 MW (ISO) in district Sahiwal, Punjab, Pakistan and sell the electricity to National Transmission and Despatch Company (NTDC). The registered office of the Company is situated at Kulsum Plaza, Blue Area, Islamabad. The Company has commenced operations from April 30, 2010. The Company is a subsidiary of Saif Holdings Limited (the Holding Company) with shareholding of 51.04% shares (December 31, 2014: 51.04%).

2 BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2014.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

4 ACCOUNTING POLICIES

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and judgements were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2014.

		Un-audited March 31, 2015 Rupees	Audited December 31, 2014 Rupees
5 LONG TERM FINANCING - SECURED	Note		
Syndicate term finance facility under SFA	5.1	7,508,283,148	7,740,940,952
Syndicate term finance facility under TFFA	5.2	1,540,865,056	1,587,740,637
Term loan II		200,000,000	200,000,000
		9,249,148,204	9,528,681,589
Current portion of long term financing		(1,761,433,846)	(1,705,458,675)
		7,487,714,358	7,823,222,914

5.1 Syndicated term finance facility under Senior Facility Agreement ("SFA")

National Bank of Pakistan	1,749,770,061	1,803,989,868
Habib Bank Limited	1,749,770,061	1,803,989,868
United Bank Limited	1,749,770,060	1,803,989,868
Allied Bank Limited	839,889,628	865,915,137
Faysal Bank Limited	349,954,013	360,797,973
Askari Bank Limited	349,954,013	360,797,973
Bank of Punjab	349,954,013	360,797,973
Pak Oman Investment Company Limited	209,972,406	216,478,784
Saudi Pak Industrial & Agricultural Investment Co. Ltd	159,248,894	164,183,507
	7,508,283,148	7,740,940,952

5.2 Syndicated term finance facility under Term Finance Facility Agreement ("TFFA")

National Bank of Pakistan	359,075,564	369,999,217
Habib Bank Limited	359,075,564	369,999,217
United Bank Limited	359,075,564	369,999,217
Allied Bank Limited	172,356,270	177,599,624
Faysal Bank Limited	71,815,111	73,999,843
Askari Bank Limited	71,815,111	73,999,843
Saudi Pak Industrial & Agricultural Investment Co. Ltd	32,747,689	33,743,928
Pak Brunei Investment Company Limited	114,904,182	118,399,750
	1,540,865,056	1,587,740,637

6 TRADE AND OTHER PAYABLES

Creditors	830,283,142	661,606,163
Accrued liabilities	8,673,156	17,379,122
Dividend payable	4,553,057	621,917,933
Retention money	212,271	212,271
Withholding tax payable	8,059,486	13,554,848
Payable against WPPF	126,604,441	99,363,281
Support services fee payable to Holding Company	221,525,725	221,525,725
Other payables	2,546,369	2,256,113
	1,202,457,647	1,637,815,456

7 CONTINGENCIES AND COMMITMENTS

There is no change in status of the contingencies and commitments as disclosed in note 13 of the audited annual financial statements of the Company for the year ended December 31, 2014.

		Un-audited March 31, 2015 Rupees	Audited December 31, 2014 Rupees
8 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating Fixed Assets	8.1	15,213,905,777	15,353,286,600
Capital work in progress-advance		1,972,000	-
		15,215,877,777	15,353,286,600
8.1 Operating Fixed Assets			
Cost			
<i>Opening balance</i>		18,010,093,329	18,035,558,822
Add: additions during the period/year			
Plant and Machinery		-	1,393,732
Furniture and fixture		-	22,208
Computers		-	342,900
Office equipment		88,719	165,210
Vehicle-Leased		-	5,275,136
		88,719	7,199,186
Less: Disposal made during the period/year		-	(932,892)
Adjustment of exchange loss on sub-ordinated loan		7,588,036	(31,731,787)
<i>Closing balance</i>		18,017,770,084	18,010,093,329
Depreciation			
<i>Opening balance</i>		2,656,806,729	2,069,955,337
Depreciation for the period/year		147,057,578	587,586,250
Depreciation on assets disposed of		-	(734,858)
<i>Closing balance</i>		2,803,864,307	2,656,806,729
Written Down Value		15,213,905,777	15,353,286,600
		Un-audited	Audited
		March 31, 2015	March 31, 2014
		Rupees	Rupees
9 COST OF SALES			
Raw material consumed		3,028,961,593	2,603,107,002
Operation and maintenance		191,365,961	151,088,693
Salaries and other benefits		7,877,719	10,158,513
Electricity charges		10,731,769	9,685,068
Insurance		42,411,256	41,714,176
Depreciation		145,955,556	145,810,862
Office expenses		320,139	327,920
Travelling, conveyance and entertainment		64,535	94,469
Repair and maintenance		41,410	362,844
Communication		30,182	37,064
Others		386,326	77,467
		3,428,146,446	2,962,464,078

	Note	Un-audited March 31, 2015 Rupees	Audited March 31, 2014 Rupees
10 EARNINGS PER SHARE			
Profit for the period (Rupees)		541,107,303	516,818,972
Weighted average number of shares (Numbers)		386,471,779	386,471,779
Earnings per share - basic (Rupees)		1.40	1.34
There is no dilution effect on the basic earnings per share of the Company.			
11 CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period		541,107,303	517,152,692
Adjustments for non cash items:			
Depreciation		147,057,578	146,805,664
Amortization		213,252	228,750
Gain on sale of property, plant and equipment		-	(240,811)
Provision for staff retirement benefits - gratuity		1,620,778	1,149,046
Finance cost		334,797,283	439,776,748
Profit on deposit accounts		(10,249,368)	(239,104)
Return on investments		(14,006,756)	(6,792,125)
Operating profit before working capital changes		1,000,540,070	1,097,840,860
(Increase) / decrease in current assets			
Advances		(19,739,910)	(5,302,372)
Trade deposits and prepayments		41,888,875	40,425,018
Other receivable		(244,562,300)	(81,826,142)
Stock in trade		121,284,196	(39,634,762)
Trade debts		26,591,274	(1,229,138,434)
		(74,537,865)	(1,315,476,692)
Increase / (decrease) in trade and other payables		(435,357,809)	95,457,068
Net cash generated from operations		490,644,396	(122,178,764)
Income taxes paid		(3,269,810)	(54,883)
Finance cost paid		(394,043,118)	(411,680,127)
Net cash generated from/(used in) operating activities		93,331,468	(533,913,774)
12 RELATED PARTY TRANSACTIONS			
Significant transactions with related parties other than those disclosed elsewhere in this condensed interim financial information are as follows:			
Transactions with Holding Company			
Rent		1,232,055	1,120,038
Expenses incurred on behalf of the company		96,800	-
Transactions with associated undertakings due to common directorship			
Expenses incurred on behalf of the company		27,468	-

13 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended December 31, 2014 and the corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the as per the audited financial statements of the Company for period ended March 31, 2014 .

14 SUBSEQUENT EVENT

The Board of directors in their meeting held on April 14, 2015 declared interim cash dividend of 15%.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors in their meeting held on April 14, 2015.

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

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such this condensed interim financial information, as approved by the Board of Directors, has been signed by two Directors.

DIRECTOR

DIRECTOR



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