



The Hub Power Company Limited

Unaudited Financial Statements
for the Quarter Ended
March 31, 2019

Contents

The Hub Power Company Limited

Company Information

Directors' Report English

Condensed Interim Unconsolidated Statement of Profit or Loss

Condensed Interim Unconsolidated Statement of Comprehensive Income

Condensed Interim Unconsolidated Statement of Financial Position

Condensed Interim Unconsolidated Statement Cash Flow

Condensed Interim Unconsolidated Statement of Changes in Equity

Notes to the Condensed Interim Unconsolidated Financial Statements

The Hub Power Company Limited and its Subsidiary Company

Condensed Interim Consolidated Statement of Profit or Loss

Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Financial Position

Condensed Interim Consolidated Statement Cash Flow

Condensed Interim Consolidated Statement of Changes in Equity

Notes to the Condensed Interim Consolidated Financial Statements

Directors' Report Urdu

Company Information

Board of Directors

M Habibullah Khan	Chairman
Khalid Mansoor	Chief Executive
Javed Akbar	
Aly Khan	
Aleeya Khan	
Manzoor Ahmed	
Nadeem Inayat	
Ejaz Sanjrani	GOB Nominee
Owais Shahid	
Saad Iqbal	
Muhammad Ali	

Audit Committee

Manzoor Ahmed	Chairman
Owais Shahid	
Aly Khan	
Saad Iqbal	

Company Secretary

Shaharyar Nashat

Management Committee

Khalid Mansoor
Tahir Jawaid
Abdul Nasir
Nazoor Baig
Kamran Kamal
Saleemullah Memon
M. Inam Ur Rehman Siddiqui
Farrukh Rasheed
Ruhail Muhammad

**Registered & Head
Office**

11th Floor, Ocean Tower
Block-9, Main Clifton Road, Karachi

Email: Info@hubpower.com
Website: <http://www.hubpower.com>

Principal Bankers

Allied Bank of Pakistan
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Bank of Punjab
Al-Baraka Bank (Pakistan) Limited
Citibank N.A. Pakistan
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Samba Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
Sumitomo Mitsui Banking Corp. Europe Ltd, London
United Bank Limited

Inter-Creditor Agents

Habib Bank Limited

Allied Bank Limited

MCB Bank Limited

Legal Advisors

RIAA Barker Gillette

Auditors

A.F.F Ferguson & Co.

Registrar

FAMCO Associates (Pvt) Limited

Hub Plant

Mouza Kund,

Post Office Gaddani,

District Lasbela, Balochistan

Narowal Plant

Mouza Poong,

5 KM from Luban Pulli Point on Mureedkay-Narowal

Road, District Narowal, Punjab

Laraib Energy Limited**(Subsidiary)**

12-B/1, Multi Mansion Plaza,

G-8, Markaz, Islamabad

Directors' Review

Report of Directors on the Consolidated and Unconsolidated Financial Statements for Third Quarter ended March 31, 2019

The Board of Directors is pleased to present a brief overview of the financial and operational performance of the Company for the nine months ended March 31, 2019.

Consolidated net profit during the period under review was Rs. 8,578 million, resulting in earnings per share of Rs. 7.41 compared to net profit of Rs. 8,279 million and earnings per share of Rs. 7.15 last year. The increase in profit is mainly due to depreciation of Rupee against USD, lower repair and maintenance expenditures at Narowal Plant and lower administrative expenses partly offset by higher financing costs.

Unconsolidated net profit during the period under review was Rs. 5,841 million, resulting in earnings per share of Rs. 5.05 compared to net profit of Rs. 6,129 million and earnings per share of Rs. 5.30 last year. The decrease in profit is mainly due to higher financing costs, higher repair and maintenance expenditures partly offset by depreciation of Rupee against USD and lower administrative expenses.

Right Shares

On April 1, 2019, the Company announced issue of right shares in the ratio of approximately 12.0986 right shares for every 100 existing ordinary shares at a price of Rs. 50 per share inclusive of a premium of Rs. 40 per share. The Company intends to raise approximately Rs. 7 billion, which will be utilized to increase the equity stake in CPHGC, through HPHL, from 26% to 47.5%. The Company expects the process of Right Issue to be completed by mid-July 2019.

Growth Projects

In relation to the exercise of Call Option to increase the shareholding of the Company in 2X660 MW China Power Hub Generation Company Limited (CPHGC) via Hub Power Holdings Limited (HPHL) from 26% to 47.5%, on March 30, 2019, HPHL entered into an Adjustment Agreement with China Power International (Pakistan) Investment Limited. This agreement stipulates the modalities of the transaction and is subject to CPHGC's Lenders and Sinasure consents. After the transfer of 1.5% shares to Government of Baluchistan, the Company's beneficial interest in CPHGC would be 46%. CPHGC's 2X660 MW project is well on target and one unit of 660 MW is already synchronized with the national grid and the project is expected to achieve Commercial Operations before the target date of August 1, 2019.

On April 26, 2019, in a ceremony held in Beijing, China (as part of the Prime Minister of Pakistan's visit), the Company has signed the Inter-Creditor Agreement with Chinese lenders in respect of its second 1x330MW Coal Fired power project in Thar Coal Block II, called ThalNova Power Thar (Pvt.) Ltd. Construction on this project has already commenced in March 2019 and it is expected that the project would achieve Financial Close by July, 2019.

Hub Plant

During the quarter under review, Hub plant generated 178 GWh as compared to 693 GWh in the corresponding period last year, at an average load factor of 7% (Q3 2017-18: 27%). The reduction in load factor is mainly due to lower dispatch by Power Purchaser.

Narowal Plant

During the quarter under review, Narowal Plant generated 105 GWh as compared to 308 GWh in the corresponding period last year, at an average load factor of 23% (Q3 2017-18: 67%). The reduction in load factor is mainly due to lower dispatch by Power Purchaser.

Laraib Plant

During the quarter under review, Laraib Plant generated 74 GWh as compared to 45 GWh in the corresponding period last year. The load factor for the quarter was 41% (Q3 2017-18: 25%).

The Company remains grateful to its Shareholders, employees, business partners and all other stakeholders for their confidence in the Company and their support in the Company's journey on the path of growth and prosperity.

By Order of the Board



Khalid Mansoor
Chief Executive Officer



M. Habibullah Khan
Chairman





THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	Note	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
Turnover		8,799,067	13,891,166	27,771,115	57,253,301
Operating costs	5	(5,317,570)	(11,342,847)	(19,333,271)	(49,771,033)
GROSS PROFIT		<u>3,481,497</u>	<u>2,548,319</u>	<u>8,437,844</u>	<u>7,482,268</u>
General and administration expenses		(173,882)	(185,819)	(547,124)	(644,556)
Other income	6	923,711	210,774	1,089,125	1,027,569
Other operating expenses	7	(48,840)	(12,664)	(59,907)	(52,444)
PROFIT FROM OPERATIONS		<u>4,182,486</u>	<u>2,560,610</u>	<u>8,919,938</u>	<u>7,812,837</u>
Finance costs	8	(1,299,587)	(555,159)	(2,992,675)	(1,609,162)
PROFIT BEFORE TAXATION		<u>2,882,899</u>	<u>2,005,451</u>	<u>5,927,263</u>	<u>6,203,675</u>
Taxation		(71,278)	(5,415)	(85,808)	(74,953)
PROFIT FOR THE PERIOD		<u><u>2,811,621</u></u>	<u><u>2,000,036</u></u>	<u><u>5,841,455</u></u>	<u><u>6,128,722</u></u>
Basic and diluted earnings per share (Rupees)		<u>2.43</u>	<u>1.73</u>	<u>5.05</u>	<u>5.30</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.


M. Habibullah Khan
Chairman


Khalid Mansoor
Chief Executive


Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
Profit for the period	2,811,621	2,000,036	5,841,455	6,128,722
Other comprehensive (loss) / income for the period				
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>				
(Loss) / gain on remeasurements of post employment benefit obligation	(1,904)	3,804	(5,714)	(5,469)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,809,717</u>	<u>2,003,840</u>	<u>5,835,741</u>	<u>6,123,253</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer





THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	9	14,092,084	15,400,857
Intangibles		58,828	54,818
Long term investments	10	36,215,135	20,679,288
Long term deposits and prepayments		21,283	20,883
		50,387,330	36,155,846
CURRENT ASSETS			
Stores, spares and consumables		1,891,722	1,954,808
Stock-in-trade		1,601,569	5,687,922
Trade debts	11	68,442,154	82,683,678
Loans and advances		42,893	90,485
Prepayments and other receivables	12	9,741,770	9,617,835
Cash and bank balances		301,872	426,885
		82,021,980	100,461,613
TOTAL ASSETS		132,409,310	136,617,459
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVE			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		11,571,544	11,571,544
Revenue Reserve			
Unappropriated profit		10,851,304	8,255,595
		22,422,848	19,827,139
NON-CURRENT LIABILITIES			
Long term loans		20,924,002	12,662,033
CURRENT LIABILITIES			
Trade and other payables	13	54,397,964	79,821,494
Unclaimed dividend		179,267	140,286
Unpaid dividend		98,599	247,281
Interest / mark-up accrued		363,962	157,647
Short term borrowings	14	32,577,909	21,776,111
Current maturity of long term loans		1,444,759	1,985,468
		89,062,460	104,128,287
TOTAL EQUITY AND LIABILITIES		132,409,310	136,617,459
COMMITMENTS AND CONTINGENCIES		15	

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.


 M. Habibullah Khan
 Chairman


 Khalid Mansoor
 Chief Executive


 Abdul Nasir
 Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	Note	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		5,927,263	6,203,675
Adjustments for:			
Depreciation		1,436,202	1,433,175
Amortisation		26,240	25,164
Dividend income from subsidiaries		(1,007,091)	(984,314)
Gain on disposal of fixed assets		(39,733)	(3,552)
Provision against slow moving stores, spares and consumables		92,636	24,919
Provision for Workers' profit participation fund		51,645	50,065
Staff gratuity		17,341	18,006
Interest income		(16,484)	(12,023)
Interest / mark-up		2,867,297	1,451,266
Amortisation of transaction costs		4,070	6,212
Operating profit before working capital changes		<u>9,359,386</u>	<u>8,212,593</u>
Working capital changes		(6,310,344)	(4,176,110)
Cash generated from operations		<u>3,049,042</u>	<u>4,036,483</u>
Interest income received		16,809	11,934
Interest / mark-up paid		(2,660,982)	(1,379,696)
Workers' profit participation fund paid		(935,191)	-
Staff gratuity paid		(22,000)	(22,649)
Taxes paid		(94,844)	(112,259)
Net cash (used in) / generated from operating activities		<u>(647,166)</u>	<u>2,533,813</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries		1,007,091	984,314
Fixed capital expenditure		(162,309)	(94,631)
Proceeds from disposal of fixed assets		44,363	13,539
Long term investments made		(15,535,847)	(3,783,482)
Long term deposits and prepayments		(400)	112,256
Net cash used in investing activities		<u>(14,647,102)</u>	<u>(2,768,004)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(3,349,733)	(6,854,432)
Proceeds from long term loans		9,320,431	3,497,932
Repayment of long term loans		(1,603,241)	(1,517,573)
Net cash generated from / (used in) financing activities		<u>4,367,457</u>	<u>(4,874,073)</u>
Net decrease in cash and cash equivalents		(10,926,811)	(5,108,264)
Cash and cash equivalents at the beginning of the period		(21,349,226)	(18,867,661)
Cash and cash equivalents at the end of the period	17	<u>(32,276,037)</u>	<u>(23,975,925)</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
ISSUED CAPITAL		
Balance at the beginning of the period	11,571,544	11,571,544
Balance at the end of the period	<u>11,571,544</u>	<u>11,571,544</u>
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	8,255,595	7,913,999
Profit for the period	5,841,455	6,128,722
Other comprehensive loss for the period	(5,714)	(5,469)
Total comprehensive income for the period	5,835,741	6,123,253
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2017-2018 @ Rs. 2.80 (2016-2017 @ Rs. 2.50) per share	(3,240,032)	(2,892,886)
First interim dividend for the fiscal year 2018-2019 @ Nil (2017-2018 @ Rs. 1.50) per share	-	(1,735,732)
Second interim dividend for the fiscal year 2018-2019 @ Nil (2017-2018 @ Rs. 1.50) per share	-	(1,735,732)
	(3,240,032)	(6,364,350)
Balance at the end of the period	<u>10,851,304</u>	<u>7,672,902</u>
TOTAL EQUITY	<u>22,422,848</u>	<u>19,244,446</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

1. THE COMPANY AND ITS OPERATIONS

The Hub Power Company Limited (the "Company") was incorporated in Pakistan on August 1, 1991 as a public limited company. The shares of the Company are listed on the Pakistan Stock Exchange (PSX). The principal activities of the Company are to develop, own, operate and maintain power stations. The Company owns an oil-fired power station of 1.200 MW (net) in Baluchistan (Hub plant).

The Company has the following subsidiaries:

- Laraib Energy Limited (LEL)
- Hub Power Services Limited (HPSL)
- Hub Power Holdings Limited (HPHL)
- Narowal Energy Limited (NEL)
- Thar Energy Limited (TEL)

2. BASIS OF PREPARATION

These unaudited condensed interim unconsolidated financial statements of the Company for the third quarter ended March 31, 2019 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. These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2018.

These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investments in subsidiaries and investment in associates have been accounted for at cost less accumulated impairment losses, if any.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim unconsolidated financial statements are same as those applied in preparing the annual unconsolidated financial statements for the year ended June 30, 2018. The adoption of new accounting standards and interpretations did not have any material effect on these condensed interim unconsolidated financial statements.

The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O 1007 (I) / 2017 dated October 04, 2017 superseded the requirements of IAS – 39 'Financial Instruments: Recognition and Measurement' and required the adoption of IFRS – 9 'Financial Instruments' from 'annual reporting periods beginning on or after July 01, 2018'. However, SECP through its S.R.O 229 (I) / 2019 dated February 14, 2019 has modified the effective date of adoption of IFRS-9 to 'Reporting period / year ending on or after June 30, 2019'. Accordingly, the Company has applied the requirements of IAS – 39 in these condensed interim unconsolidated financial statements.

As per IFRS – 9, Investments in equity instruments are either (i) required to be measured at fair value through profit or loss or (ii) with the irrevocable option at inception to present changes in fair value in other comprehensive income. Furthermore, there is now a new expected credit losses model that replaces the incurred loss impairment model of IAS – 39.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are same as those applied for the preparation of Company's annual unconsolidated financial statements for the year ended June 30, 2018. The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual unconsolidated financial statements for the year ended June 30, 2018.

	Note	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
5. OPERATING COSTS					
Fuel cost		3,761,833	9,928,306	14,634,120	45,314,785
Stores and spares		95,980	125,633	374,217	446,574
Operation and maintenance	5.1	415,050	464,625	1,245,150	1,393,875
Insurance		154,000	128,844	465,114	383,131
Depreciation		469,838	468,193	1,410,647	1,403,262
Amortisation		8,338	9,112	23,137	20,711
Repairs, maintenance and other costs		412,531	218,134	1,180,886	808,695
		<u>5,317,570</u>	<u>11,342,847</u>	<u>19,333,271</u>	<u>49,771,033</u>

5.1 This represents fee for O&M services rendered by HPSL (a subsidiary company).

	Note	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
6. OTHER INCOME					
Financial assets					
Interest income		6,079	3,782	16,484	12,023
Non-financial assets					
Gain on disposal of fixed assets - net		19	1,294	39,733	3,552
Dividend income from LEL		817,091	-	817,091	521,548
Dividend income from HPSL		90,000	200,000	190,000	200,000
Dividend income from NEL		-	-	-	262,766
Income from management services	6.1	10,522	5,698	25,817	16,976
Exchange gain		-	-	-	10,704
		<u>917,632</u>	<u>206,992</u>	<u>1,072,641</u>	<u>1,015,546</u>
		<u>923,711</u>	<u>210,774</u>	<u>1,089,125</u>	<u>1,027,569</u>

6.1 Income from management services

Services income from TEL (a subsidiary company)		110,579	59,905	271,309	178,423
Cost of services		(100,057)	(54,207)	(245,492)	(161,447)
		<u>10,522</u>	<u>5,698</u>	<u>25,817</u>	<u>16,976</u>

7. OTHER OPERATING EXPENSES

Exchange loss		2,960	2,379	8,262	2,379
Workers' profit participation fund	7.1	45,880	10,285	51,645	50,065
		<u>48,840</u>	<u>12,664</u>	<u>59,907</u>	<u>52,444</u>

7.1 Workers' profit participation fund

Provision for workers' profit participation fund		146,438	100,786	298,945	312,687
Workers' profit participation fund recoverable from CPPA-G		(100,558)	(90,501)	(247,300)	(262,622)
		<u>45,880</u>	<u>10,285</u>	<u>51,645</u>	<u>50,065</u>

The Company is required to pay 5% of its profit to the Workers' profit participation fund (the "Fund"). The Company is entitled to claim majority of this expense from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) as a pass through item.



	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
8. FINANCE COSTS				
Interest / mark-up on long term loans	461,071	147,095	1,082,981	416,404
Mark-up on short term borrowings	791,486	373,181	1,784,316	1,034,862
Amortisation of transaction costs	3,066	1,755	4,070	6,212
Other finance costs	43,964	33,128	121,308	151,684
	<u>1,299,587</u>	<u>555,159</u>	<u>2,992,675</u>	<u>1,609,162</u>

	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
9. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment		13,994,718	15,292,482
Capital work-in-progress		97,366	108,375
	9.1	<u>14,092,084</u>	<u>15,400,857</u>

9.1 Additions to property, plant and equipment during the period were Rs. 132 million (Mar 2018: Rs. 50 million) and disposals therefrom at net book value were Rs. 5 million (Mar 2018: Rs. 10 million).

	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
10. LONG TERM INVESTMENTS			
Investment in subsidiaries - unquoted			
Laraib Energy Limited (LEL)		4,674,189	4,674,189
Hub Power Services Limited (HPSL)		100	100
Hub Power Holdings Limited (HPHL)	10.1 & 10.2	22,413,854	8,572,590
Narowal Energy Limited (NEL)		3,921,883	3,921,883
Thar Energy Limited (TEL)	10.3	<u>3,968,616</u>	<u>2,567,600</u>
		34,978,642	19,736,362
Others - unquoted			
Equity security available-for-sale			
- Sindh Engro Coal Mining Company Limited (SECMC)		1,236,493	942,926
		<u>36,215,135</u>	<u>20,679,288</u>

10.1 Investment of HPHL in China Power Hub Generation Company (Private) Limited (CPHGC)

In relation to the exercise of Call Option to increase the shareholding of the Company in CPHGC via HPHL from 26% to 47.5%, on March 30, 2019, HPHL has entered into an Adjustment Agreement (the Agreement) with China Power International (Pakistan) Investment Limited (CPIPI) and CPHGC. This agreement stipulates the modalities of the transaction and is subject to the CPHGC's Lenders and Sinore consents. If their consents are not obtained by May 15, 2019, the Agreement shall become null and void.

HPHL had earlier, on December 23, 2016, entered into a Memorandum of Understanding (MoU) with CPIPI and Government of Baluchistan (GoB) whereby 3% equity shareholding in CPHGC (1.5% each by HPHL and CPIPI) will be transferred to GoB, no later than the COD of CPHGC.

On the basis of current estimated project cost of 2 x 660 MW coal project with ancillary jetty, the Company's total maximum equity commitment is USD 249 million for 47.5% equity stake in CPHGC, through HPHL. As at April 30, 2019, out of USD 249 million, HPHL has injected USD 229.4 million in CPHGC.

Project status of CPHGC

On December 28, 2018 the first unit of the 2 x 660 MW coal fired power plant was synchronized with the national grid. The required COD as per the Power Purchase Agreement is August 01, 2019.

10.2 Investment of HPHL in ThalNova Power Thar (Private) Limited (TNPTL)

On October 27, 2018, a Shares Subscription Agreement (SSA) was entered into between the Company, Thal Power (Private) Limited (Thal SPV), Nova Powergen Limited (Nova SPV), HPHL and ThalNova Power Thar (Private) Limited (TNPTL). Pursuant to SSA the Company, through HPHL, acquired 37% equity stake (to be increased to 38.3% as per SSA) in TNPTL by investing Rs. 690 million on December 10, 2018, thereby reducing the shareholdings of Thal SPV and Nova SPV from 50% each to 31.5% each. On March 11, 2019, the Company, through HPHL, further invested Rs. 2,085 million in TNPTL. Furthermore, on March 26, 2019, an Amended and Restated Subscription Agreement was entered into to effectuate subscription of shares by CMEC ThalNova Power Investments Limited (CMEC) in TNPTL.



Subsequently, on March 25, 2019, a Shareholders' Agreement (SHA) was entered into between Thal SPV, Nova SPV, HPHL, Descon Engineering Limited (DESCON) and TNPTL setting out the shareholders' equity percentages and respective obligations, relationship amongst the shareholders and between the shareholders and TNPTL, and matters relating to management of TNPTL. On March 26, 2019, the SHA was amended to include CMEC as a shareholder and its respective rights and obligations under the SHA.

TNPTL is a private limited company, incorporated in Pakistan on April 18, 2016. The principal activities of TNPTL are to develop, own, operate and maintain a 1 x 330 MW mine-mouth coal fired power plant (the Project) which is under construction at Thar Block II, Thar Coal Mine, Sindh.

Project status and financial close of TNPTL

Private Power & Infrastructure Board (PPIB) issued the Letter of Support (LOS) to TNPTL on December 08, 2016. As per the terms of the LOS, TNPTL is required to (i) achieve the Financial Closure of the Project not later than nine months from the date of LOS and (ii) enter into the Implementation Agreement (IA), Power Purchase Agreement (PPA) and Water Use Agreement (WUA) not later than three months prior to the financial closing date. The required COD of the project is March 31, 2021.

On November 23, 2018, PPIB approved the extension in the financial closing date till June 30, 2019 (Extended Financial Closing Date). TNPTL has extended the validity of Performance Guarantee provided to PPIB amounting to USD 3.30 million till October 10, 2019 and have submitted the proposed amendments of PPA to CPPA-G for signing and execution. The proposed amendments include the provision to pay CPPA-G, the Liquidated Damages (LDs), equivalent to the payment of proportionate Transmission Service Charges (TSC) payable by National Transmission and Despatch Company Limited (NTDC) to Pak Matiari-Lahore Transmission Company Limited, in case there is delay in COD of March 31, 2021. On March 12, 2019, TNPTL issued Limited Notice to Proceed (LNTP) to the EPC Contractor and work has commenced on the site. Based on the contractual construction period of 34 months, COD is expected in January 2022, which will result in LDs amounting to USD 2.68 million for each month of delay.

PPIB is entitled to encash the performance guarantee in case TNPTL is not able to meet the above conditions or TNPTL decides to exercise termination option as defined in the LOS. TNPTL is close to finalize its financing arrangements with the lenders and is confident that Financial Closure will be achieved before the Extended Financial Closing Date.

On the basis of current estimated project cost, the Company's total equity commitment is USD 50.5 million for 38.3% equity stake in TNPTL.

Company's commitment to TNPTL - SSA

Under the SSA and SHA, the Company is committed to maintain 38.3% shareholding in TNPTL till the Financial Close of the Project. Furthermore:

- as part of its investment in shareholding of TNPTL, the Company shall provide such advance not exceeding USD 30 million to TNPTL for the purpose of issuance of LNTP to the EPC Contractor of the Project in accordance with the EPC contract. During the period, USD 15 million has been provided to TNPTL;
- till the Financial Close of the Project, Thal SPV and Nova SPV shall not be required to inject further equity in TNPTL. Any additional contribution (subject to equity contribution of CMEC and DESCON) that is required by TNPTL for the purpose of achieving Financial Close of the Project will be provided by the Company, and the same will be treated as advance against equity or subordinate debt to TNPTL;
- for the purpose of extension of LOS, the Company is required to provide the performance guarantee on the basis of its shareholding in TNPTL as envisaged in SSA; and
- subject to the term of financing documents, the Company is restricted to transfer or otherwise dispose the shares held in TNPTL or create encumbrance till the 6th anniversary of the Commercial Operations Date of TNPTL.

In connection with the development of TNPTL's project and pursuant to Shareholders' Agreement dated March 25, 2019, the Company has obtained following approvals from shareholders in general meeting on April 16, 2019 and is committed to:

- (i) arrange and provide a Standby Letter of Credit to the Lenders of TNPTL or to TNPTL, directly or through its subsidiary HPHL, to cover for the equity investment of (and up to an amount not exceeding) USD 50.5 million (or PKR equivalent) to guarantee the subscription of equity. Such investment shall be for a period up till July 31, 2026 or such period until the liabilities/obligations of Sponsors remain undischarged, whichever is later;
- (ii) undertake to the Lenders of TNPTL or to arrange and/or provide working capital financing to TNPTL, directly or through its subsidiary HPHL, equivalent to an aggregate amount of US\$ 23 million. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later;

- (iii) to assign its rights, benefits and interests in respect of any investment made in TNPTL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TNPTL) including the benefits of any indemnities, warranties and guarantees, in favour of the lenders of TNPTL, directly or through its subsidiary HPHL. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later;
- (iv) pledge its shares (if any) in TNPTL held by it from time to time, in favour of the Lenders of TNPTL, whether such shares are acquired directly by way of subscription or otherwise. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later;
- (v) provide a guarantee (in the form of standby letter of credit) for the benefit of TNPTL and Intercreditor Agent for an aggregate amount of US\$ 20 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date ("PCD"), and (c) Commercial Operation Date ("COD") undertakings. Such investment shall be for a period up till the earlier of Project Completion Date or July 31, 2026;
- (vi) issue a sponsor standby letter of credit to cover for the Initial Debt Service Reserve Account Shortfall, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as detailed in EOGM notice dated March 14, 2019. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or January 31, 2024;
- (vii) issue a sponsor standby letter of credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as detailed in EOGM notice dated March 14, 2019. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or August 31, 2033;
- (viii) participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions (including Habib Bank Limited) ("Put Option / CRG Financiers") in favour of the foreign lenders and contributing payment up to USD 10 million (or PKR equivalent) ("Put Option / CRG Contribution Amount") under the same as primary obligor in accordance with the terms of the Agreement Regarding Procedures Following Event of Default. Such sponsor obligation shall be valid till August 31, 2033;
- (ix) provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TN is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest up to the extent of USD 7 million), or such other amount as may be agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such Sponsor obligation shall be valid till August 31, 2033;
- (x) provide security in form and substance acceptable to the Put Option / CRG Financiers or such other alternate/additional security as the Put Option / CRG Financiers may require from time to time up to the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons;
- (xi) provide (if required) a contractual commitment and a parent company guarantee to TNPTL guaranteeing the due and punctual performance of obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or the expiry of the O&M Agreement.

10.3 Investment in Thar Energy Limited (TEL)

During the period, PPIB has approved a further amendment in LOS on December 17, 2018, and extended the Financial Closing Date to March 8, 2019, upon extension of performance guarantee till June 30, 2019. On January 28, 2019, TEL requested PPIB for extension in the Financial Closing Date till September 8, 2019 which was approved by PPIB on February 26, 2019, subject to provision of prescribed fee and extension in the validity of performance guarantees to December 8, 2019. PPIB is entitled to encash the performance guarantee in case TEL is not able to meet the conditions specified in LOS and its amendments or if TEL decides to exercise termination option as defined in the LOS.

Further, TEL has signed term loan facility agreements for both US Dollar loan facility and Pakistan Rupees loan facility on December 20, 2018 with the consortium of foreign lenders and local lenders, respectively.



	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
11. TRADE DEBTS - Secured			
Considered good	11.1	<u>68,442,154</u>	<u>82,683,678</u>
11.1 This includes an amount of Rs. 61.397 million (June 2018: Rs. 74.073 million) receivable from CPPA-G which is overdue but not impaired because the trade debts are secured by a guarantee from the GOP under Implementation Agreement. The delay in payments from CPPA-G carries mark-up at SBP discount rate plus 2% per annum compounded semi-annually.			
12. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		190,354	22,059
Other receivables			
Interest accrued		-	94
Income tax - refundable		1,912,347	1,912,347
Sales tax		6,530,024	6,795,219
Advance tax		104,094	147,384
Receivable from LEL		7,789	6,794
Receivable from HPSL		-	8,935
Receivable from HPHL		2,510	41,306
Receivable from NEL		15,651	1,886
Receivable from TEL		1,093	64
Receivable from TNPTL		855	-
Workers' profit participation fund recoverable from CPPA-G		928,575	681,275
Miscellaneous		48,478	472
		<u>9,551,416</u>	<u>9,595,776</u>
		<u>9,741,770</u>	<u>9,617,835</u>
13. TRADE AND OTHER PAYABLES			
This includes Rs. 51.751 million (June 2018: Rs. 76.943 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 46.401 million (June 2018: Rs. 69.758 million).			
The delay in payments to PSO carries mark-up at the SBP discount rate plus 2% per annum compounded semi-annually.			
14. SHORT TERM BORROWINGS			
Finances under mark-up arrangements - Secured	14.1 & 14.2	28,577,909	21,776,111
Privately placed sukus - Unsecured	14.3	4,000,000	-
		<u>32,577,909</u>	<u>21,776,111</u>
14.1 The facilities for running finance available from various banks / financial institutions amounted to Rs. 28,900 million (June 2018: Rs. 29,600 million) at mark-up ranging between 0.25% to 2.00% per annum above one / three month KIBOR. The mark-up on the facilities is payable on monthly / quarterly basis in arrear. The facilities will expire during the period from April 30, 2019 to December 31, 2019. Any late payment by the Company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. The facilities are secured by way of charge over the trade debts and stocks of the Company for the Hub plant pari passu with the existing charge.			
14.2 The Company has also entered into a Musharaka agreement amounting to Rs. 1,400 million (June 2018: Rs. 400 million) at a mark-up ranging between 0.6% to 0.75% per annum above three month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrear. These facilities will expire during the period from July 31, 2019 to November 30, 2019. Any late payment by the Company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. This facility is secured by way of securities mentioned in note 14.1.			
14.3 During the period, the Company has issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 4,000 million at a mark-up of 1.00% per annum above three-month KIBOR. The mark-up on the sukuk is payable on quarterly basis in arrear and the principal is payable on the expiry of nine months commencing from February 27, 2019. Any late payment by the Company is subject to mark-up at a rate of 2.00% per annum over three-month KIBOR.			

15. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of commitments and contingencies as disclosed in the annual unconsolidated financial statements of the Company for the year ended June 30, 2018, except as follows:

15.1 Following notices / demand orders have been issued by tax authorities to the Company in respect of combined operations of Hub and Narowal Plants prior to Narowal Demerger. An agreement dated May 11, 2017 had been entered into between the Company and NEL whereby NEL has undertaken to reimburse any cost which may directly be incurred by the Company in respect of exposures transferred pursuant to the scheme of demerger.

- (i) The FBR issued a show cause notice to recover sales tax amounting to Rs. 3.483 million relating to fiscal year ended June 2016. This is based on FBR's view that the Company had claimed input tax in excess of what was allowed under the law. The Company filed a Writ Petition in the IHC which asked the FBR not to pass a final order till next hearing. The Company's maximum exposure as at March 31, 2019 is approximately Rs. 3.483 million.
- (ii) The FBR issued a show cause notice to recover sales tax amounting to Rs. 2.665 million relating to fiscal year ended June 2017. This is based on FBR's view that the Company had claimed input tax in excess of what was allowed under the law. The Company filed a Writ Petition in the IHC which asked the FBR not to pass a final order till next hearing. The Company's maximum exposure as at March 31, 2019 is approximately Rs. 2.665 million.

15.2 The FBR issued a show cause notice for the recovery of sales tax amounting to Rs. 412 million on the ground that the Company had claimed excess input tax during different tax periods. On representation the FBR has reduced the amount and issued demand notice amounting to Rs 31 million. The Company filed appeal with the Commissioner Inland Revenue Appeal which is pending adjudication.

The management is of the opinion that the position of the Company is sound on technical basis and eventual outcome is expected to be in favour of the Company. Pending the resolution of the matters stated above, no provision has been made in these condensed interim unconsolidated financial statements.

16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of subsidiaries, associates, retirement benefit funds and key management personnel. Significant transactions and balances with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

16.1 Details of Transactions

	Note	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
Subsidiaries			
Laraib Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		18,567	26,407
Receipts against reimbursement of expenses from subsidiary		17,572	28,081
Reimbursable expenses incurred by subsidiary		-	19
Dividend received		817,091	521,548
Receipt against disposal of an asset		-	1,425
Hub Power Holdings Limited			
Investment in subsidiary		13,841,264	2,402,590
Reimbursable expenses incurred on behalf of subsidiary		8,041	7,543
Receipts against reimbursement of expenses from subsidiary		46,837	4,702
Hub Power Services Limited			
Reimbursable expenses incurred on behalf of subsidiary		6,208	25,862
Receipts against reimbursement of expenses from subsidiary		15,593	69,035
Reimbursable expenses incurred by subsidiary		67,965	9,524
Payments against reimbursement of expenses to subsidiary		63,020	9,120
Amount paid for O&M services rendered by subsidiary		1,439,450	1,590,048
Dividend received		190,000	200,000
Interest expense on loan from subsidiary	16.1.1	3,364	-
Payment against interest on loan from subsidiary		505	-

	Note	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
Narowal Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		29,669	425,659
Receipts against reimbursement of expenses from subsidiary		30,900	152,000
Dividend received		-	262,766
Interest income on loan to subsidiary	16.1.2	50,834	5,229
Receipts against interest on loan to subsidiary		35,838	-
Thar Energy Limited			
Investment in subsidiary		1,401,016	1,180,000
Reimbursable expenses incurred on behalf of subsidiary		4,312	6,511
Receipts against reimbursement of expenses from subsidiary		3,282	9,447
Reimbursable expenses incurred by subsidiary		1,338	9,689
Payments against reimbursement of expenses to subsidiary		1,338	10,481
Transfer of assets to subsidiary		-	8,470
Receipts against transfer of assets from subsidiary		-	4,643
Transfer of assets by subsidiary		-	7,450
Payments against transfer of assets to subsidiary		-	3,623
Services rendered to subsidiary		306,579	201,618
Advance received against services agreement		402,815	119,102
Other related parties			
Proceeds from disposal of land to CPHGC		-	189,341
Loss on disposal of land to CPHGC		-	3,842
Reimbursable expenses incurred on behalf of TNPTL		1,105	-
Receipt against reimbursement of expenses from TNPTL		250	-
Remuneration to key management personnel			
Salaries, benefits and other allowances		100,979	206,598
Retirement benefits		3,754	2,749
	16.1.3 & 16.1.4	104,732	209,347
Directors' fee	16.1.5	4,850	9,400
Contribution to staff retirement benefit plans		30,739	30,140

16.1.1 The Company has obtained an unsecured short term loan facility for an amount of up to Rs. 500 million from HPSL, to meet its working capital requirements. This facility carries markup at the rate of 0.75% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the period was Rs. 195 million.

16.1.2 The Company has provided NEL an unsecured short term loan facility for an amount of up to Rs. 3 billion, to meet its working capital requirements, which carries markup at the rate of 0.40% per annum above one month KIBOR. Any late payment is subject to an additional payment of 1.00% per annum above the normal mark-up rate. The maximum aggregate amount outstanding at any time during the period was Rs. 1.8 billion.

16.1.3 Transactions with key management personnel are carried out under the terms of their employment. Key management personnel are also provided with the use of Company maintained automobiles and certain other benefits.

16.1.4 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 18 million (Mar 2018: Rs. 14 million).

16.1.5 This represents fee paid to Board of Directors for attending meetings.

16.1.6 The Company has provided loan amounting to Rs. 1.60 million to key management personnel which is recoverable in 12 equal monthly installments as per Company policy. As at the reporting date, outstanding balance is Rs. 1.07 million.

16.1.7 The transactions with related parties are made under mutually agreed terms and conditions.



16.2 Details of Balances

	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
Subsidiaries			
Hub Power Services Limited			
Payable	16.1.1	135,933	-
Thar Energy Limited			
Advance against management services		166,537	73,386
Other related parties			
Payable to staff retirement benefit plan		18,413	16,336
		Mar 2019 (Rs. '000s) (Unaudited)	Mar 2018 (Rs. '000s) (Unaudited)

17. CASH AND CASH EQUIVALENTS

Cash and bank balances	301,872	673,664
Short term borrowings	(32,577,909)	(24,649,589)
	<u>(32,276,037)</u>	<u>(23,975,925)</u>

18. PLANT CAPACITY AND PRODUCTION

	3 months ended Mar 2019	3 months ended Mar 2018	9 months ended Mar 2019	9 months ended Mar 2018
Theoretical Maximum Output	2,592 GWh	2,592 GWh	7,891 GWh	7,891 GWh
Total Output	178 GWh	693 GWh	682 GWh	4,150 GWh
Load Factor	7%	27%	9%	53%

Practical maximum output of the power plant taking into account all the scheduled outages is 7.012 GWh (Mar 2018: 7.365 GWh). Output produced by the plant is dependent on the load demanded by CPPA-G and the plant availability.

19. REPRESENTATION / RECLASSIFICATION

Certain prior period figures have been represented / re-classified to reflect a more appropriate presentation of events and transactions for the purpose of consistency.

20. SUBSEQUENT EVENTS

20.1 On April 1, 2019, the Company announced issue of right shares in the ratio of approximately 12.0986 right shares for every 100 existing ordinary shares at a price of Rs. 50 per share inclusive of a premium of Rs. 40 per share. The Company intends to raise approximately Rs. 7 billion, which will be utilized to increase the equity stake in CPHGC, through HPHL, from 26% to 47.5%. The Company expects the process of Right Issue to be completed by mid July 2019.

Furthermore, on April 1, 2019, the Board also approved the arrangement to bridge the financing requirements of the Company till the realization of proceeds from right issuance. Pursuant to the Board Approval:

- The Company has made arrangement for the issuance of unsecured Privately Placed short term commercial paper amounting to Rs. 3,500 million. The tenor of the commercial papers is ninety days from the date of draw down and carries markup at the rate of three month KIBOR plus 1% per annum.
- HPHL has arranged a Loan Facility of an amount up to Rs. 3,500 million from Allied Bank Limited. The loan will be repayable at the earlier of the date on which the subscription money with regard to right issue is received by the Company or August 15, 2019. The facility carries markup at the rate of one-month KIBOR plus 0.25% per annum and is secured by ranking charge over Plant and Machinery of the Company.

20.2 On April 02, 2019, the Company has issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 4,500 million at a mark-up of 1.00% per annum above three-month KIBOR. The mark-up on the sukuk is payable on quarterly basis in arrear and the principal is payable on the expiry of six months commencing from April 02, 2019. Any late payment by the Company is subject to mark-up at a rate of 2.00% per annum over three-month KIBOR.



21. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on April 30, 2019 in accordance with the resolution of the Board of Directors.

22. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

A handwritten signature in black ink, appearing to read "M. Habibullah Khan".

M. Habibullah Khan
Chairman

A handwritten signature in black ink, appearing to read "Khalid Mansoor".

Khalid Mansoor
Chief Executive

A handwritten signature in black ink, appearing to read "Abdul Nasir".

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	Note	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
Turnover		13,398,034	19,495,237	44,339,992	73,786,333
Operating costs	5	(7,408,660)	(14,871,136)	(28,939,754)	(60,395,918)
GROSS PROFIT		<u>5,989,374</u>	<u>4,624,101</u>	<u>15,400,238</u>	<u>13,390,415</u>
General and administration expenses		(404,614)	(324,921)	(1,080,243)	(1,113,352)
Other income		59,490	40,703	289,680	120,839
Other operating expenses	6	(48,840)	(12,664)	(59,907)	(52,444)
PROFIT FROM OPERATIONS		<u>5,595,410</u>	<u>4,327,219</u>	<u>14,549,768</u>	<u>12,345,458</u>
Finance costs	7	(1,998,181)	(1,091,496)	(4,933,778)	(3,247,140)
Share of loss from associates	9.1 & 9.2	(127,866)	(86,923)	(321,321)	(193,722)
PROFIT BEFORE TAXATION		<u>3,469,363</u>	<u>3,148,800</u>	<u>9,294,669</u>	<u>8,904,596</u>
Taxation		(140,749)	(67,942)	(285,338)	(262,184)
PROFIT FOR THE PERIOD		<u><u>3,328,614</u></u>	<u><u>3,080,858</u></u>	<u><u>9,009,331</u></u>	<u><u>8,642,412</u></u>
Attributable to:					
- Owners of the holding company		3,160,921	2,981,096	8,577,775	8,278,787
- Non-controlling interest		167,693	99,762	431,556	363,625
		<u>3,328,614</u>	<u>3,080,858</u>	<u>9,009,331</u>	<u>8,642,412</u>
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		<u>2.73</u>	<u>2.58</u>	<u>7.41</u>	<u>7.15</u>

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

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive


Abdul Nasir
Chief Financial Officer




THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	3 months ended Mar 2019 (Rs. '000s)	3 months ended Mar 2018 (Rs. '000s)	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
Profit for the period	3,328,614	3,080,858	9,009,331	8,642,412
Other comprehensive (loss) / income for the period				
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>				
(Loss) / gain on remeasurement of post employment benefits obligation	(13,310)	8,771	(8,745)	(13,605)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>3,315,304</u>	<u>3,089,629</u>	<u>9,000,586</u>	<u>8,628,807</u>
Attributable to:				
- Owners of the holding company	3,147,611	2,989,867	8,569,030	8,265,182
- Non-controlling interest	167,693	99,762	431,556	363,625
	<u>3,315,304</u>	<u>3,089,629</u>	<u>9,000,586</u>	<u>8,628,807</u>

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


M. Habibullah Khan
Chairman


Khalid Mansoor
Chief Executive



Abdul Nasir
Chief Financial Officer




THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	8	61,940,137	53,817,768
Intangibles		1,480,338	1,477,963
Long term investments	9	19,070,150	8,823,879
Long term deposits and prepayments		34,204	36,448
		82,524,829	64,156,058
CURRENT ASSETS			
Stores, spares and consumables		3,238,331	3,255,501
Stock-in-trade		2,899,310	6,347,109
Trade debts	10	85,667,516	98,856,377
Loans and advances		88,888	147,327
Prepayments and other receivables	11	11,122,292	10,588,866
Cash and bank balances		5,847,312	2,654,315
		108,863,649	121,849,495
TOTAL ASSETS		191,388,478	186,005,553
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVE			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		11,571,544	11,571,544
Revenue Reserve			
Unappropriated profit		29,170,198	23,878,200
Attributable to owners of the holding company		40,741,742	35,449,744
NON-CONTROLLING INTEREST		5,268,908	3,584,186
		46,010,650	39,033,930
NON-CURRENT LIABILITIES			
Long term loans		30,562,559	25,287,815
Liabilities against assets subject to finance lease		2,160,868	2,234,388
		32,723,427	27,522,203
CURRENT LIABILITIES			
Trade and other payables	12	65,111,875	82,872,983
Unclaimed dividend		179,267	140,286
Unpaid dividend		98,599	247,281
Interest / mark-up accrued		941,710	779,949
Short term borrowings	13	39,725,794	28,804,770
Current maturity of long term loans		6,128,303	6,214,955
Current maturity of liabilities against assets subject to finance lease		426,821	366,320
Taxation-net		42,032	22,876
		112,654,401	119,449,420
TOTAL EQUITY AND LIABILITIES		191,388,478	186,005,553
COMMITMENTS AND CONTINGENCIES			
	14		

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


 M. Habibullah Khan
 Chairman


 Khalid Mansoor
 Chief Executive


 Abdul Nasir
 Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	Note	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,294,669	8,904,596
Adjustments for:			
Depreciation		3,283,957	3,070,177
Amortisation		31,011	29,822
Gain on disposal of fixed assets		(43,666)	(4,848)
Provision against slow moving stores, spares and consumables		108,227	40,899
Provision for workers' profit participation fund		51,645	50,065
Share of loss from associates		321,321	193,722
Staff gratuity		54,685	44,388
Interest income		(112,361)	(97,326)
Interest / mark-up		4,703,850	3,083,338
Amortisation of transaction costs		63,493	79,467
Operating profit before working capital changes		<u>17,756,831</u>	<u>15,394,300</u>
Working capital changes		(773,777)	(6,327,134)
Cash generated from operations		<u>16,983,054</u>	<u>9,067,166</u>
Interest income received		100,711	87,811
Interest / mark-up paid		(4,542,089)	(3,225,171)
Staff gratuity paid		(59,680)	(70,435)
Workers' profit participation fund paid		(935,191)	-
Taxes paid		(291,451)	(305,865)
Net cash generated from operating activities		<u>11,255,354</u>	<u>5,553,506</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(10,054,587)	(555,639)
Proceeds from disposal of fixed assets		52,811	15,357
Long term investments made		(10,603,131)	(2,585,482)
Decrease in long term deposits and prepayments		2,244	109,693
Net cash used in investing activities		<u>(20,602,663)</u>	<u>(3,016,071)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(3,349,733)	(6,854,432)
Dividends paid to non controlling interest		(273,078)	(174,306)
Proceeds from long term loans		9,320,431	3,497,932
Repayment of long term loans		(5,206,575)	(4,695,280)
Proceeds against issuance of shares to non controlling interest		1,546,648	-
Repayment of liabilities against assets subject to finance lease		(396,546)	(324,655)
Share issue cost		(21,865)	(10,202)
Net cash generated from / (used in) financing activities		<u>1,619,282</u>	<u>(8,560,943)</u>
Net decrease in cash and cash equivalents		(7,728,027)	(6,023,508)
Cash and cash equivalents at the beginning of the period		(26,150,455)	(20,986,204)
Cash and cash equivalents at the end of the period	17	<u>(33,878,482)</u>	<u>(27,009,712)</u>

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

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY		
ISSUED CAPITAL		
Balance at the beginning of the period	11,571,544	11,571,544
Balance at the end of the period	11,571,544	11,571,544
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	23,878,200	21,059,945
Profit for the period	8,577,775	8,278,787
Other comprehensive loss for the period	(8,745)	(13,605)
Total comprehensive income for the period	8,569,030	8,265,182
Share issue cost	(55,180)	(14,310)
Disposal of partial interest in TEL	18,180	-
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2017-2018 @ Rs. 2.80 (2016-2017: @ Rs. 2.50) per share	(3,240,032)	(2,892,886)
First interim dividend for the fiscal year 2018-2019 @ Nil (2017-2018 @ Rs. 1.50) per share	-	(1,735,732)
Second interim dividend for the fiscal year 2018-2019 @ Nil (2017-2018 @ Rs. 1.50) per share	-	(1,735,732)
	(3,240,032)	(6,364,350)
Balance at the end of the period	29,170,198	22,946,467
Attributable to owners of the holding company	40,741,742	34,518,011
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	3,584,186	2,367,012
Total comprehensive income for the period	431,556	363,625
Dividend paid	(273,078)	(174,306)
Investment made	1,546,648	-
Disposal of partial interest in TEL	(18,180)	-
Share issue cost	(2,224)	-
Balance at the end of the period	5,268,908	2,556,331
TOTAL EQUITY	46,010,650	37,074,342

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

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

1. STATUS AND NATURE OF BUSINESS

The Hub Power Company Limited (the "holding company") was incorporated in Pakistan on August 1, 1991 as a public limited company. The shares of the holding company are listed on the Pakistan Stock Exchange (PSX). The principal activities of the holding company are to develop, own, operate and maintain power stations. The holding company owns an oil-fired power station of 1,200 MW (net) in Balochistan (Hub plant).

The Group consists of The Hub Power Company Limited (the holding company) and following subsidiaries / associates:

Subsidiaries:

- Laraib Energy Limited (LEL) - Holding of 74.95%;
- Hub Power Services Limited (HPSL) - Holding of 100%;
- Hub Power Holdings Limited (HPHL) - Holding of 100%;
- Narowal Energy Limited (NEL) - Holding of 100%; and
- Thar Energy Limited (TEL) - Holding of 60%.

Associates:

- China Power Hub Generation Company (Private) Limited (CPHGC) - Holding of 26%; and
- ThalNova Power Thar (Private) Limited (TNPTL) - Holding of 37%.

Thar Energy Limited (TEL)

During the period, Private Power & Infrastructure Board (PPIB) has approved a further amendment in LOS on December 17, 2018, and extended the Financial Closing Date to March 8, 2019, upon extension of performance guarantee till June 30, 2019. On January 28, 2019, TEL requested PPIB for extension in the Financial Closing Date till September 8, 2019 which was approved by PPIB on February 26, 2019, subject to provision of prescribed fee and extension in the validity of performance guarantees to December 8, 2019. PPIB is entitled to encash the performance guarantee in case TEL is not able to meet the conditions specified in LOS and its amendments or if TEL decides to exercise termination option as defined in the LOS.

Further, TEL has signed term loan facility agreements for both US Dollar loan facility and Pakistan Rupees loan facility on December 20, 2018 with the consortium of foreign lenders and local lenders, respectively.

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements of the holding company for the third quarter ended March 31, 2019 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. These condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended June 30, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim consolidated financial statements are same as those applied in preparing the annual consolidated financial statements for the year ended June 30, 2018. The adoption of new accounting standards and interpretations did not have any material effect on these condensed interim consolidated financial statements.

The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O 1007 (I) / 2017 dated October 04, 2017 superseded the requirements of IAS – 39 'Financial Instruments: Recognition and Measurement' and required the adoption of IFRS – 9 'Financial Instruments' from 'annual reporting periods beginning on or after July 01, 2018'. However, SECP through its S.R.O 229 (I) / 2019 dated February 14, 2019 has modified the effective date of adoption of IFRS-9 to 'Reporting period / year ending on or after June 30, 2019'. Accordingly, the Group has applied the requirements of IAS – 39 in these condensed interim consolidated financial statements.

As per IFRS – 9, Investments in equity instruments are either (i) required to be measured at fair value through profit or loss or (ii) with the irrevocable option at inception to present changes in fair value in other comprehensive income. Furthermore, there is now a new expected credit losses model that replaces the incurred loss impairment model of IAS – 39.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements are same as those applied for the preparation of Group's annual consolidated financial statements for the year ended June 30, 2018. The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's annual consolidated financial statements for the year ended June 30, 2018.

Note	3 months ended	3 months ended	9 months ended	9 months ended
	Mar 2019	Mar 2018	Mar 2019	Mar 2018
	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)

5. OPERATING COSTS

Fuel cost	4,986,681	12,688,851	21,491,436	53,318,340
Water use charges	26,710	14,788	78,011	85,854
Salaries, benefits and other allowances	307,541	316,835	1,001,414	988,226
Stores and spares	261,545	196,851	769,085	894,159
Operation and maintenance	-	84,728	-	255,543
Insurance	239,296	200,579	715,532	597,246
Depreciation	1,006,404	1,033,969	3,240,880	3,024,057
Amortisation	9,860	10,382	27,198	24,520
Repairs, maintenance and other costs	570,623	324,153	1,616,198	1,207,973
	<u>7,408,660</u>	<u>14,871,136</u>	<u>28,939,754</u>	<u>60,395,918</u>

6. OTHER OPERATING EXPENSES

Exchange loss		2,960	2,379	8,262	2,379
Workers' profit participation fund	6.1	45,880	10,285	51,645	50,065
		<u>48,840</u>	<u>12,664</u>	<u>59,907</u>	<u>52,444</u>
6.1 Workers' profit participation fund					
Provision for workers' profit participation fund		191,471	144,876	431,671	412,652
Workers' profit participation fund recoverable from CPPA-G / NTDC		(145,591)	(134,591)	(380,026)	(362,587)
		<u>45,880</u>	<u>10,285</u>	<u>51,645</u>	<u>50,065</u>

The holding company and NEL are required to pay 5% of its profit to the workers' profit participation fund (the "Fund"). The holding company and NEL are entitled to claim majority of this expense from the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) / National Transmission and Despatch Company Limited (NTDC) as a pass through item.

	3 months ended	3 months ended	9 months ended	9 months ended
	Mar 2019	Mar 2018	Mar 2019	Mar 2018
	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)

7. FINANCE COSTS

Interest / mark-up on long term loans	887,965	491,408	2,227,161	1,504,629
Interest on finance lease	49,674	40,263	146,779	118,845
Mark-up on short term borrowings	979,841	482,679	2,329,716	1,317,268
Amortisation of transaction costs	21,123	24,600	63,493	79,467
Other finance costs	59,578	52,546	166,629	226,931
	<u>1,998,181</u>	<u>1,091,496</u>	<u>4,933,778</u>	<u>3,247,140</u>



	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
8. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment		47,813,431	49,492,686
Capital work-in-progress			
Holding company		97,366	108,375
NEL		62,664	49,681
LEL		15,198	3,628
TEL		13,951,478	4,163,398
		14,126,706	4,325,082
	8.1	<u>61,940,137</u>	<u>53,817,768</u>

8.1 Additions to property, plant and equipment during the current period were Rs. 11,414 million (Mar 2018: Rs. 1,363 million) out of which Rs. 1,394 million (Mar 2018: Rs. 853 million) relates to exchange loss capitalized on related foreign currency loans, and disposals therefrom at net book value were Rs. 9 million (Mar 2018: Rs. 11 million).

	Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
9. LONG TERM INVESTMENTS			
Investment in associates - unquoted			
China Power Hub Generation Company (Private) Limited (CPHGC)	9.1	15,063,255	7,880,953
ThalNova Power Thar (Private) Limited (TNPTL)	9.2	2,770,402	-
		<u>17,833,657</u>	<u>7,880,953</u>
Others - unquoted			
Equity security available-for-sale			
- Sindh Engro Coal Mining Company Limited (SECMC)		1,236,493	942,926
		<u>19,070,150</u>	<u>8,823,879</u>

9.1 Investment in China Power Hub Generation Company (Private) Limited (CPHGC)

Opening investment	7,880,953	1,318,390
Investment during the period / year	7,534,485	6,858,669
Less: Share of loss from associate	(316,644)	(280,075)
Less: Group's share in share issue cost	(35,539)	(16,031)
	<u>15,063,255</u>	<u>7,880,953</u>

In relation to the exercise of Call Option to increase the shareholding of the holding company in CPHGC via HPHL from 26% to 47.5%, on March 30, 2019, HPHL has entered into an Adjustment Agreement (the Agreement) with China Power International (Pakistan) Investment Limited (CPIPI) and CPHGC. This agreement stipulates the modalities of the transaction and is subject to the CPHGC's Lenders and Sinosure consents. If their consents are not obtained by May 15, 2019, the Agreement shall become null and void.

HPHL had earlier, on December 23, 2016, entered into a Memorandum of Understanding (MoU) with CPIPI and Government of Baluchistan (GoB) whereby 3% equity shareholding in CPHGC (1.5% each by HPHL and CPIPI) will be transferred to GoB, no later than the COD of CPHGC.

On the basis of current estimated project cost of 2 x 660 MW coal project with ancillary jetty, the holding company's total maximum equity commitment is USD 249 million for 47.5% equity stake in CPHGC, through HPHL. As at April 30, 2019, out of USD 249 million, HPHL has injected USD 229.4 million in CPHGC.

Project status of CPHGC

On December 28, 2018 the first unit of the 2 x 660 MW coal fired power plant was synchronized with the national grid. The required COD as per the Power Purchase Agreement is August 01, 2019.

Mar 2019	Jun 2018
(Rs. '000s)	(Rs. '000s)
(Unaudited)	(Audited)

9.2 Investment in ThalNova Power Thar (Private) Limited (TNPTL)

Opening investment	-	-
Investment during the period	2,775,079	-
Less: Share of loss from associate	(4,677)	-
	<u>2,770,402</u>	<u>-</u>

On October 27, 2018, a Shares Subscription Agreement (SSA) was entered into between the holding company, Thal Power (Private) Limited (Thal SPV), Nova Powergen Limited (Nova SPV), HPHL and TNPTL. Pursuant to SSA the holding company, through HPHL, acquired 37% equity stake (to be increased to 38.3% as per SSA) in TNPTL by investing Rs. 690 million on December 10, 2018, thereby reducing the shareholdings of Thal SPV and Nova SPV from 50% each to 31.5% each. On March 11, 2019, the holding company, through HPHL, further invested Rs. 2,085 million in TNPTL. Furthermore, on March 26, 2019, an Amended and Restated Subscription Agreement was entered into to effectuate subscription of shares by CMEC ThalNova Power Investments Limited (CMEC) in TNPTL.

Subsequently, on March 25, 2019, a Shareholders' Agreement (SHA) was entered into between Thal SPV, Nova SPV, HPHL, Descon Engineering Limited (DESCON) and TNPTL setting out the shareholders' equity percentages and respective obligations, relationship amongst the shareholders and between the shareholders and TNPTL, and matters relating to management of TNPTL. On March 26, 2019, the SHA was amended to include CMEC as a shareholder and its respective rights and obligations under the SHA.

TNPTL is a private limited company, incorporated in Pakistan on April 18, 2016. The principal activities of TNPTL are to develop, own, operate and maintain a 1 x 330 MW mine-mouth coal fired power plant (the Project) which is under construction at Thar Block II, Thar Coal Mine, Sindh.

Project status and financial close of TNPTL

Private Power & Infrastructure Board (PPIB) issued the Letter of Support (LOS) to TNPTL on December 08, 2016. As per the terms of the LOS, TNPTL is required to (i) achieve the Financial Closure of the Project not later than nine months from the date of LOS and (ii) enter into the Implementation Agreement (IA), Power Purchase Agreement (PPA) and Water Use Agreement (WUA) not later than three months prior to the financial closing date. The required COD of the project is March 31, 2021.

On November 23, 2018, PPIB approved the extension in the financial closing date till June 30, 2019 (Extended Financial Closing Date). TNPTL has extended the validity of Performance Guarantee provided to PPIB amounting to USD 3.30 million till October 10, 2019 and have submitted the proposed amendments of PPA to CPPA-G for signing and execution. The proposed amendments include the provision to pay CPPA-G, the Liquidated Damages (LDs), equivalent to the payment of proportionate Transmission Service Charges (TSC) payable by National Transmission and Despatch Company Limited (NTDC) to Pak Matiari-Lahore Transmission Company Limited, in case there is delay in COD of March 31, 2021. On March 12, 2019, TNPTL issued Limited Notice to Proceed (LNTP) to the EPC Contractor and work has commenced on the site. Based on the contractual construction period of 34 months, COD is expected in January 2022, which will result in LDs amounting to USD 2.68 million for each month of delay.

PPIB is entitled to encash the performance guarantee in case TNPTL is not able to meet the above conditions or TNPTL decides to exercise termination option as defined in the LOS. TNPTL is close to finalize its financing arrangements with the lenders and is confident that Financial Closure will be achieved before the Extended Financial Closing Date.

On the basis of current estimated project cost, the holding company's total equity commitment is USD 50.5 million for 38.3% equity stake in TNPTL.

Holding company's commitment to TNPTL - SSA

Under the SSA, the holding company is committed to maintain 38.3% shareholding in TNPTL till the Financial Close of the Project. Furthermore:

- as part of its investment in shareholding of TNPTL, the holding company shall provide such advance not exceeding USD 30 million to TNPTL for the purpose of issuance of LNTP to the EPC Contractor of the Project in accordance with the EPC contract. During the period, USD 15 million has been provided to TNPTL;
- till the Financial Close of the Project, Thal SPV and Nova SPV shall not be required to inject further equity in TNPTL. Any additional contribution (subject to equity contribution of CMEC and DESCON) that is required by TNPTL for the purpose of achieving Financial Close of the Project will be provided by the holding company, and the same will be treated as advance against equity or subordinate debt to TNPTL;



- for the purpose of extension of LOS, the holding company is required to provide the performance guarantee on the basis of its shareholding in TNPTL as envisaged in SSA: and
- subject to the term of financing documents, the holding company is restricted to transfer or otherwise dispose the shares held in TNPTL or create encumbrance till the 6th anniversary of the Commercial Operations Date of TNPTL.

In connection with the development of TNPTL's project and pursuant to Shareholders' Agreement dated March 25, 2019, the holding company has obtained following approvals from shareholders in general meeting on April 16, 2019 and is committed to:

- (i) arrange and provide a Standby Letter of Credit to the Lenders of TNPTL or to TNPTL, directly or through its subsidiary HPHL, to cover for the equity investment of (and up to an amount not exceeding) USD 50.5 million (or PKR equivalent) to guarantee the subscription of equity. Such investment shall be for a period up till July 31, 2026 or such period until the liabilities/obligations of Sponsors remain undischarged, whichever is later;
- (ii) undertake to the Lenders of TNPTL or to arrange and/or provide working capital financing to TNPTL, directly or through its subsidiary HPHL, equivalent to an aggregate amount of US\$ 23 million. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later;
- (iii) to assign its rights, benefits and interests in respect of any investment made in TNPTL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TNPTL) including the benefits of any indemnities, warranties and guarantees, in favour of the lenders of TNPTL, directly or through its subsidiary HPHL. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later;
- (iv) pledge its shares (if any) in TNPTL held by it from time to time, in favour of the Lenders of TNPTL, whether such shares are acquired directly by way of subscription or otherwise. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later;
- (v) provide a guarantee (in the form of standby letter of credit) for the benefit of TNPTL and Intercreditor Agent for an aggregate amount of US\$ 20 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date ("PCD"), and (c) Commercial Operation Date ("COD") undertakings. Such investment shall be for a period up till the earlier of Project Completion Date or July 31, 2026;
- (vi) issue a sponsor standby letter of credit to cover for the Initial Debt Service Reserve Account Shortfall, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as detailed in EOGM notice dated March 14, 2019. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or January 31, 2024;
- (vii) issue a sponsor standby letter of credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as detailed in EOGM notice dated March 14, 2019. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or August 31, 2033;
- (viii) participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions (including Habib Bank Limited) ("Put Option / CRG Financiers") in favour of the foreign lenders and contributing payment up to USD 10 million (or PKR equivalent) ("Put Option / CRG Contribution Amount") under the same as primary obligor in accordance with the terms of the Agreement Regarding Procedures Following Event of Default. Such sponsor obligation shall be valid till August 31, 2033;
- (ix) provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TN is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest up to the extent of USD 7 million), or such other amount as may be agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such Sponsor obligation shall be valid till August 31, 2033;
- (x) provide security in form and substance acceptable to the Put Option / CRG Financiers or such other alternate/additional security as the Put Option / CRG Financiers may require from time to time up to the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons;
- (xi) provide (if required) a contractual commitment and a parent company guarantee to TNPTL guaranteeing the due and punctual performance of obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or the expiry of the O&M Agreement.



Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
------	--	--------------------------------------

10. TRADE DEBTS - secured

Considered good	10.1	85,667,516	98,856,377
-----------------	------	------------	------------

10.1 These receivables include an overdue amount of Rs. 61,397 million (June 2018: Rs. 74,037 million) from CPPA-G and Rs. 14,300 million (June 2018: Rs. 10,529 million) from NTDC. These are not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreements.

The delay in payments from CPPA-G carries mark-up at State Bank of Pakistan (SBP) discount rate plus 2% per annum compounded semi-annually and the delay in payments from NTDC carries mark-up at a rate of three / six month KIBOR plus 2% to 4.5% per annum compounded semi-annually.

Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
------	--	--------------------------------------

11. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments		275,548	54,534
Other receivables			
Interest accrued		17,246	5,366
Income tax		1,912,347	1,912,347
Sales tax		7,329,413	7,410,778
Advance tax		139,740	195,754
Receivable from TNPTL		12,546	-
Receivable from CPHGC		14,775	62,342
Workers' profit participation fund recoverable from CPPA-G / NTDC	6.1	1,312,017	931,991
Miscellaneous		108,660	15,754
		10,846,744	10,534,332
		11,122,292	10,588,866

12. TRADE AND OTHER PAYABLES

This includes Rs. 51,751 million (June 2018: Rs. 76,943 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 46,401 million (June 2018: Rs. 69,758 million).

The delay in payments to PSO carries mark-up at the SBP discount rate plus 2% per annum compounded semi-annually.

Note	Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
------	--	--------------------------------------

13. SHORT TERM BORROWINGS

Finances under mark-up arrangements - Secured	13.1 to 13.6	35,725,794	28,804,770
Privately placed sukuku - Unsecured	13.7	4,000,000	-
		39,725,794	28,804,770

13.1 The facilities for running finance available from various banks / financial institutions amounted to Rs. 28,900 million (June 2018: Rs. 29,600 million) at mark-up ranging between 0.25% to 2.00% per annum above one / three month KIBOR. The mark-up on the facilities is payable on monthly / quarterly basis in arrear. The facilities will expire during the period from April 30, 2019 to December 31, 2019. Any late payment by the holding company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. The facilities are secured by way of charge over the trade debts and stocks of the holding company for the Hub plant pari passu with the existing charge.

- 13.2 The holding company has also entered into a Musharaka agreement amounting to Rs. 1,400 million (June 2018: Rs. 400 million) at a mark-up ranging between 0.6% to 0.75% per annum above three month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrear. These facilities will expire during the period from July 31, 2019 to November 30, 2019. Any late payment by the holding company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. This facility is secured by way of securities mentioned in note 13.1.
- 13.3 The facilities of NEL for running finances available from various banks / financial institutions amounted to Rs. 5,425 million (June 2018: Rs. 5,425 million) at mark-up ranging between 0.5% to 2.00% per annum above one / three month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrears. The facilities will expire during the period commencing from April 30, 2019 to Dec 31, 2019. Any late payment by NEL is subject to an additional payment of 2.00% per annum above the normal mark-up rate.
- 13.3.1 The facilities are secured by way of:
- (a) a first ranking charge on all present and future (i) amounts standing to the credit of the Energy Payment Collection Account and the Master Facility Account, (ii) Fuel, lube, fuel stocks at the plant; and (iii) the Energy Payment Receivables of NEL.
 - (b) a subordinated charge on all present and future plant, machinery and equipment and other moveable assets of the NEL excluding: (i) the immoveable properties; (ii) Hypothecated Assets under first ranking charge; (iii) the Energy Payment Collection Account, Working Capital Facility Accounts and the Master Facility Account; (iv) the Energy Payment Receivables; (v) all of the NEL's right, title and interest in the Project Documents (including any receivables thereunder); and (vi) all current assets.
- 13.4 NEL also has Murabaha facility agreements with banks for an amount of Rs. 225 million (June 2018: Rs. 625 million) at a mark-up of 1.5% per annum above three months KIBOR. The mark-up on the facilities is payable on quarterly basis in arrears. These facilities will expire on October 31, 2019. Any late payment by NEL is subject to an additional payment of 2.00% per annum above the normal mark-up rate. These facilities are secured by way of securities mentioned in note 13.3.1.
- 13.5 NEL has entered into Musharaka agreements amounting to Rs. 2,900 million (June 2018: Rs. 1,135 million) mark-up of these facilities are from 0.50% and 1% per annum above three month KIBOR. The mark-up on the facilities are payable on quarterly basis in arrears. These facilities will expire on June 30, 2019 to November 30, 2019. Any late payment by NEL is subject to an additional payment of 2.00% per annum above the normal mark-up rate. These facilities are secured by way of securities mentioned in note 13.3.1.
- 13.6 LEL entered into running finance facilities with Askari Bank Limited and Silk Bank Limited amounting to Rs. 250 million (June 2018: Rs. 250 million) from each bank, carrying mark-up at the rate of 1.75% and 3.5% per annum, respectively, above three month KIBOR payable on quarterly basis in arrear. The facilities were unutilized at the period end and are secured by way of subordinated charge over the current assets (including receivables, advances, deposits and prepayments) of LEL. The facilities will expire on December 31, 2019.
- 13.7 During the period, the holding company has issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 4,000 million at a mark-up of 1.00% per annum above three-month KIBOR. The mark-up on the sukuk is payable on quarterly basis in arrear and the principal is payable on the expiry of nine months commencing from February 27, 2019. Any late payment by the holding company is subject to mark-up at a rate of 2.00% per annum over three-month KIBOR.

14. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of commitments and contingencies as disclosed in the annual consolidated financial statements of the Group for the year ended June 30, 2018, except as follows:

14.1 In connection with the operations of holding company:

Following notices / demand orders have been issued by tax authorities to the holding company in respect of combined operations of Hub and Narowal Plants prior to Narowal Demerger. An agreement dated May 11, 2017 had been entered into between the holding company and NEL whereby NEL has undertaken to reimburse any cost which may directly be incurred by the holding company in respect of exposures transferred pursuant to the scheme of demerger.

- (i) The FBR issued a show cause notice to recover sales tax amounting to Rs. 3,483 million relating to fiscal year ended June 2016. This is based on FBR's view that the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which asked the FBR not to pass a final order till next hearing. The holding company's maximum exposure as at March 31, 2019 is approximately Rs. 3,483 million.
- (ii) The FBR issued a show cause notice to recover sales tax amounting to Rs. 2,665 million relating to fiscal year ended June 2017. This is based on FBR's view that the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which asked the FBR not to pass a final order till next hearing. The holding company's maximum exposure as at March 31, 2019 is approximately Rs. 2,665 million.



- 14.2 The FBR issued a show cause notice for the recovery of sales tax amounting to Rs. 412 million on the ground that the holding company had claimed excess input tax during different tax periods. On representation the FBR has reduced the amount and issued demand notice amounting to Rs 31 million. The holding company filed appeal with the Commissioner Inland Revenue Appeal which is pending adjudication.

The management is of the opinion that the position of the holding company is sound on technical basis and eventual outcome is expected to be in favour of the holding company. Pending the resolution of the matters stated above, no provision has been made in these condensed interim consolidated financial statements.

- 14.3 In connection with the operations of NEL:

- 14.3.1 Following notices / demand orders have been issued by tax authorities to the holding company in respect of combined operations of Hub and Narowal Plants prior to demerger. Pursuant to the demerger, the exposure related to Narowal Undertaking has been transferred to the NEL.

Further, an agreement dated May 11, 2017 has been entered into between NEL and the holding company whereby NEL has undertaken to reimburse any cost which may directly be incurred by the holding company in respect of exposures transferred pursuant to the scheme of demerger.

- (i) The FBR issued a show cause notice to recover sales tax amounting to Rs. 511 million relating to fiscal year ended June 2016. This is based on FBR's views including the point that NEL had claimed input tax in excess of what was allowed under the law. NEL filed a Writ Petition in the IHC (Islamabad High Court) which asked the FBR not to pass a final order till next hearing. NEL's maximum exposure as at March 31, 2019 is approximately Rs. 511 million.
- (ii) The FBR issued a show cause notice to recover sales tax amounting to Rs. 570 million relating to fiscal year ended June 2017. This is based on FBR's views including the point that NEL had claimed input tax in excess of what was allowed under the law. NEL filed a Writ Petition in the IHC which asked the FBR not to pass a final order till next hearing. NEL's maximum exposure as at March 31, 2019 is approximately Rs. 570 million.

The management and their tax advisors are of the opinion that the position of NEL is sound on technical basis and eventual outcome ought to be in favour of NEL. Pending the resolution of the matters stated above, no provision has been made in these condensed interim consolidated financial statements.



15. SEGMENT INFORMATION

15.1 SEGMENT ANALYSIS

The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for allocation of resources and assessment of performance. The Group has the following two reportable segments; power generation business, which includes the Hub plant, Narowal plant & Laraib plant and operations and maintenance business.

The unallocated items of profit and loss and assets and liabilities include items which cannot be allocated to a specific segment on a reasonable basis.

	3 months ended Mar 2019						Total
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Unallocated	Eliminations	
	(Rs. '000s)						
Turnover	8,799,067	3,249,322	1,349,673	575,595	-	(575,623)	13,398,034
Operating costs	(5,317,570)	(1,875,406)	(435,017)	(346,387)	-	565,720	(7,408,660)
GROSS PROFIT	3,481,497	1,373,916	914,656	229,208	-	(9,903)	5,989,374
General and administration expenses	(173,882)	(26,831)	(32,353)	(81,064)	(90,484)	-	(404,614)
Other income	6,098	2,789	17,284	9,729	944,062	(920,472)	59,490
Other operating expenses	(2,960)	-	-	-	(45,880)	-	(48,840)
PROFIT FROM OPERATIONS	3,310,753	1,349,874	899,587	157,873	807,698	(930,375)	5,595,410
Finance costs	(707,584)	(449,224)	(251,879)	(69)	(592,284)	2,859	(1,998,181)
Share of loss from associates	-	-	-	-	(127,866)	-	(127,866)
PROFIT BEFORE TAXATION	2,603,169	900,650	647,708	157,804	87,548	(927,516)	3,469,363
Taxation	-	(805)	(4,255)	(57,711)	(77,978)	-	(140,749)
PROFIT FOR THE YEAR	2,603,169	899,845	643,453	100,093	9,570	(927,516)	3,328,614



HUBCO

	3 months ended Mar 2018						
	Power Generation	Laraib plant	Operations and Maintenance	Unallocated	Eliminations	Total	
	Hub plant	Narowal plant					
(Rs. '000s)						
Turnover	13,891,166	4,536,501	1,068,358	575,008	-	(575,796)	19,495,237
Operating costs	(11,342,847)	(3,295,971)	(450,087)	(348,124)	-	565,893	(14,871,136)
GROSS PROFIT	2,548,319	1,240,530	618,271	226,884	-	(9,903)	4,624,101
General and administration expenses	(185,819)	(31,438)	(28,440)	(52,223)	(27,001)	-	(324,921)
Other income	5,076	486	21,443	1,936	217,460	(205,698)	40,703
Other operating expenses	(2,379)	-	-	-	(10,285)	-	(12,664)
PROFIT FROM OPERATIONS	2,365,197	1,209,578	611,274	176,597	180,174	(215,601)	4,327,219
Finance costs	(377,248)	(327,771)	(208,464)	(43)	(177,970)	-	(1,091,496)
Share of loss from associates	-	-	-	-	(86,923)	-	(86,923)
PROFIT BEFORE TAXATION	1,987,949	881,807	402,810	176,554	(84,719)	(215,601)	3,148,800
Taxation	(2)	(146)	(4,558)	(54,293)	(8,943)	-	(67,942)
PROFIT FOR THE YEAR	1,987,947	881,661	398,252	122,261	(93,662)	(215,601)	3,080,858

	9 months ended Mar 2019						
	Power Generation	Laraib plant	Operations and Maintenance	Unallocated	Eliminations	Total	
	Hub plant	Narowal plant					
(Rs. '000s)						
Turnover	27,771,115	12,623,980	3,945,043	1,711,334	-	(1,711,480)	44,339,992
Operating costs	(19,333,271)	(8,682,130)	(1,483,801)	(1,122,323)	-	1,681,771	(28,939,754)
GROSS PROFIT	8,437,844	3,941,850	2,461,242	589,011	-	(29,709)	15,400,238
General and administration expenses	(547,124)	(74,411)	(91,357)	(188,117)	(179,234)	-	(1,080,243)
Other income	56,217	4,703	79,042	51,636	1,134,354	(1,036,272)	289,680
Other operating expenses	(8,262)	-	-	-	(51,645)	-	(59,907)
PROFIT FROM OPERATIONS	7,938,675	3,872,142	2,448,927	452,530	903,475	(1,065,981)	14,549,768
Finance costs	(1,687,102)	(1,217,626)	(726,310)	(194)	(1,305,910)	3,364	(4,933,778)
Share of loss from associates	-	-	-	-	(321,321)	-	(321,321)
PROFIT BEFORE TAXATION	6,251,573	2,654,516	1,722,617	452,336	(723,756)	(1,062,617)	9,294,669
Taxation	-	(1,359)	(11,503)	(174,915)	(97,561)	-	(285,338)
PROFIT FOR THE YEAR	6,251,573	2,653,157	1,711,114	277,421	(821,317)	(1,062,617)	9,009,331



HUBCO

	9 months ended Mar 2018						
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Unallocated	Eliminations	Total
	(Rs. '000s)						
Turnover	57,253,301	13,097,025	3,446,076	1,752,737	-	(1,762,806)	73,786,333
Operating costs	(49,771,033)	(9,982,181)	(1,305,889)	(1,069,912)	-	1,733,097	(60,395,918)
GROSS PROFIT	7,482,268	3,114,844	2,140,187	682,825	-	(29,709)	13,390,415
General and administration expenses	(644,556)	(114,399)	(89,534)	(151,431)	(113,432)	-	(1,113,352)
Other income	26,280	1,745	47,844	9,466	1,036,794	(1,001,290)	120,839
Other operating expenses	(2,379)	-	-	-	(50,065)	-	(52,444)
PROFIT FROM OPERATIONS	6,861,613	3,002,190	2,098,497	540,860	873,297	(1,030,999)	12,345,458
Finance costs	(1,052,348)	(1,002,884)	(634,911)	(103)	(556,894)	-	(3,247,140)
Share of loss from associates	-	-	-	-	(193,722)	-	(193,722)
PROFIT BEFORE TAXATION	5,809,265	1,999,306	1,463,586	540,757	122,681	(1,030,999)	8,904,596
Taxation	(2)	(524)	(11,925)	(164,130)	(85,603)	-	(262,184)
PROFIT FOR THE YEAR	5,809,263	1,998,782	1,451,661	376,627	37,078	(1,030,999)	8,642,412

15.2 SEGMENT ASSETS & LIABILITIES

	As at Mar 31, 2019						
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Unallocated	Eliminations	Total
	(Rs. '000s)						
Assets	96,163,054	33,211,948	21,688,848	354,396	73,257,778	(33,287,546)	191,388,478
Liabilities	87,878,008	15,243,270	10,984,017	261,478	31,378,675	(367,620)	145,377,828

	As at Jun 30, 2018						
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Unallocated	Eliminations	Total
	(Rs. '000s)						
Assets	115,921,230	32,729,272	21,717,212	321,630	33,078,489	(17,762,280)	186,005,553
Liabilities	102,974,223	17,413,751	11,633,326	345,815	14,744,668	(140,160)	146,971,623

15.3 The customers of the Group are CPPA-G and NTDC (Power Purchasers) under the long term PPAs of the respective power plants. The obligations of Power Purchasers are guaranteed by the GOP under IAs of the respective power plants.

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related party comprise associates, retirement benefit funds and key management personnel. Significant transactions and balances with related parties, other than those which have been disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	Note	9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
16.1 Details of Transactions			
Associates			
Proceeds against disposal of land to CPHGC		-	189,341
Loss on disposal of land to CPHGC		-	3,842
Income under shared facilities agreement from CPHGC		21,045	11,359
Reimbursable expenses incurred on behalf of CPHGC by HPHL		-	2,519
Receipt against reimbursement of expenses by CPHGC		41,306	-
Reimbursable expenses incurred by CPHGC for HPHL		136	-
Payment against reimbursement of expenses to CPHGC for HPHL		136	-
Reimbursable expenses incurred on behalf of TNPTL		12,796	-
Receipt against reimbursement of expenses from TNPTL		250	-
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		229,061	297,860
Retirement benefits		8,273	7,751
	16.1.1	237,333	305,611
Directors' fee	16.1.2	7,000	12,300
Contribution to staff retirement benefit plans		111,703	107,019
Proceeds from disposal of assets to key management personnel		10	1,635
Dividend paid to NCI - Coate & Co. Private Limited		259,512	165,646
16.1.1 Transactions with key management personnel are carried out under the terms of their employment. Key management personnel are also provided with the use of company maintained automobiles and certain other benefits.			
16.1.2 This represents fee paid to Board of Directors for attending meetings.			
16.1.3 The Group has provided loan amounting to Rs. 5.79 million to key management personnel which is recoverable in 12 equal monthly installments as per Company policy. As at the reporting date, outstanding balance is Rs. 4.66 million.			
16.1.4 The transactions with related parties are made under mutually agreed terms and conditions.			
		Mar 2019 (Rs. '000s) (Unaudited)	Jun 2018 (Rs. '000s) (Audited)
16.2 Details of Balances			
Associates			
Receivable from CPHGC		14,775	52,363
Receivable from TNPTL		12,546	-
Other related parties			
Payable to staff retirement benefit plans		45,183	22,480



9 months ended Mar 2019 (Rs. '000s)	9 months ended Mar 2018 (Rs. '000s)
---	---

17 CASH AND CASH EQUIVALENTS

Cash and bank balances	5,847,312	4,102,072
Finances under mark-up arrangements	(39,725,794)	(31,111,784)
	<u>(33,878,482)</u>	<u>(27,009,712)</u>

18 REPRESENTATION / RECLASSIFICATION

Certain prior period figures have been represented / re-classified to reflect a more appropriate presentation of events and transactions for the purpose of consistency.

19 SUBSEQUENT EVENTS

19.1 On April 1, 2019, the holding company announced issue of right shares in the ratio of approximately 12.0986 right shares for every 100 existing ordinary shares at a price of Rs. 50 per share inclusive of a premium of Rs. 40 per share. The holding company intends to raise approximately Rs. 7 billion, which will be utilized to increase the equity stake in CPHGC, through HPHL, from 26% to 47.5%. The holding company expects the process of Right Issue to complete by mid July 2019.

Furthermore, on April 1, 2019, the Board also approved the arrangement to bridge the financing requirements of the holding company till the realization of proceeds from right issuance. Pursuant to the Board Approval:

- (i) The holding company has made arrangement for the issuance of unsecured Privately Placed short term commercial paper amounting to Rs. 3,500 million. The tenor of the commercial papers is ninety days from the date of draw down and carries markup at the rate of three month KIBOR plus 1% per annum.
- (ii) HPHL has arranged a Loan Facility of an amount up to Rs. 3,500 million from Allied Bank Limited. The loan will be repayable at the earlier of the date on which the subscription money with regard to right issue is received by the holding company or August 15, 2019. The facility carries markup at the rate of one-month KIBOR plus 0.25% per annum and is secured by ranking charge over Plant and Machinery of the holding company.

19.2 On April 02, 2019, the holding company has issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 4,500 million at a mark-up of 1.00% per annum above three-month KIBOR. The mark-up on the sukuk is payable on quarterly basis in arrear and the principal is payable on the expiry of six months commencing from April 02, 2019. Any late payment by the holding company is subject to mark-up at a rate of 2.00% per annum over three-month KIBOR.

20 DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on April 30, 2019 in accordance with the resolution of the Board of Directors.

21 GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

ڈائریکٹرز کی رپورٹ بسلسلہ انضمام شدہ اور غیر انضمام شدہ مالی گوشوارے برائے تیسری سہ ماہی مئی 2019:31

بورڈ آف ڈائریکٹرز سمرٹ کے ساتھ 31 مارچ 2019 کو ختم ہونے والی ششماہی کے لئے، کمپنی کی مالی اور آپریشنل کارکردگی کا مختصر جائزہ پیش کرتا ہے۔

زیر جائزہ عرصے کے دوران انضمام شدہ خالص منافع 8,578 ملین روپے تھا جس کے نتیجے میں فی حصص آمدنی میں 7.15 روپے کا اضافہ ہوا۔ گزشتہ برس، اسی عرصے کے لئے، خالص منافع 6,129 ملین روپے اور فی حصص آمدنی 5.30 روپے تھا۔ منافع میں اضافے کی بنیادی وجہ ڈالر کے مقابلے میں روپے کی قدر میں کمی، نارووال پلانٹ کی مرمت اور دیکھ بھال (repair and maintainance) کے اخراجات اور انتظامی اخراجات میں کمی تھی جس کی تلافی جزوی طور پر بلند مالی اخراجات کی صورت میں کی گئی۔

مورخہ 31 مارچ 2019 کو ختم ہونے والی ششماہی کے دوران کمپنی کا حاصل کردہ غیر انضمام شدہ خالص منافع 5,841 ملین روپے تھا جس کے نتیجے میں فی حصص آمدنی 5.05 روپے رہی جب کہ گزشتہ برس، اسی عرصے کے دوران، غیر انضمام شدہ خالص منافع 6,129 ملین روپے تھا اور فی حصص آمدنی 5.30 روپے تھا۔ منافع میں کمی کی بنیادی وجہ ڈیلی ادا اردوں سے حاصل ہونے والے منافع منقسمہ میں کمی اور بلند مالی اخراجات (financial expenses) تھی جن کی تلافی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور کم (administration expenses) صورت میں ہوئی۔

رائٹ حصص:

1 اپریل 2019 کو کمپنی نے 12.0986 رائٹ حصص (ہر 100 حصص کے بدلے) اعلان کیا جس کی قیمت 50 روپے فی حصص کے حساب سے مقرر کی گئی۔ اس قیمت میں 40 روپے فی حصص پر بیم شامل ہے۔

کمپنی 7 بلین روپے کا سرمایہ جمع کرنے کا ارادہ رکھتی ہے جس کے ذریعے CPHGC میں کمپنی کے ایکویٹی سرمایہ کاری کے حصہ کو 26% سے 47.5% تک جب پاور ہولڈنگ (HPHL) کے ذریعے بڑھانا ہے۔

کمپنی رائٹ اجزا کو جولائی 2019 تک تکمیل کرنے کا ارادہ رکھتی ہے۔

حب پلانٹ:

زیر جائزہ سہ ماہی کے دوران حب پلانٹ نے 178GWH بجلی پیدا کی جبکہ گزشتہ برس اسی عرصے کے دوران 693GWH بجلی پیدا کی تھی، اس طرح لوڈ فیکٹر 27% رہا (دوسری سہ ماہی 18:2017:7%)

نارووال پلانٹ:

اس سہ ماہی کے دوران نارووال پلانٹ نے 105GWH بجلی پیدا کی جس کا لوڈ فیکٹر 23% تھا۔ گزشتہ برس اسی عرصے کے دوران 308GWH بجلی پیدا کی تھی اور لوڈ فیکٹر 67% تھا۔

لاریب پلانٹ:

زیر جائزہ سہ ماہی کے دوران پلانٹ نے 74GWH بجلی پیدا کی جبکہ گزشتہ برس 45GWH بجلی پیدا کی تھی اور سہ ماہی کے دوران لوڈ فیکٹر 41% تھا (دوسری سہ ماہی 18:2017:25%) کمپنی اپنے تمام حصص یافتگان، ملازمین، کاروباری پارٹنرز اور دیگر تمام ذیلی یونٹوں کی شکر گزار ہے کہ انہوں نے کمپنی پر اعتماد کیا اور کمپنی کو ترقی اور خوشحالی کے سفر پر اپنی اعانت فراہم کی۔

بحکم بورڈ

ایم حسین اللہ خان

چیرمین

خالد منصور

چیف ایگزیکٹو آفیسر