



The Hub Power Company Limited

Unaudited Financial Statements
for the 3rd Quarter Ended
March 31, 2021

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The Hub Power Company Limited

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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	
Nadeem Inayat	

Company Secretary

Sohail Kassamali

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
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.
United Bank Limited

Inter-Creditor Agents

Habib Bank Limited

Allied Bank Limited

MCB Bank Limited

Bank of Punjab

Legal Advisors

Syed Jamil Shah

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

CPHGC Plant

Mouza Kund,

Post Office Gaddani,

District Lasbela, Balochistan

Laraib Energy Limited

(Subsidiary)

12-B/1, Multi Mansion Plaza,

G-8, Markaz, Islamabad

DIRECTORS' REPORT

REPORT OF DIRECTORS ON THE CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED MARCH 31, 2021

The Board of Directors is pleased to present a brief overview of the financial and operational performance of the Company for the third quarter ended March 31, 2021.

Consolidated net profit during the period under review was Rs. 24,918 million, resulting in earnings per share of Rs. 19.21 compared to net profit of Rs. 18,253 million and earnings per share of Rs. 14.07 during the same period last year. The increase in profit is mainly due to higher share of profit from an associate (China Power Hub Generation Company Limited, which started Commercial Operations on August 17, 2019), depreciation of PKR against USD and lower financing costs.

Unconsolidated net profit during the period under review was Rs. 14,520 million, resulting in earnings per share of Rs. 11.19 compared to net profit of Rs. 6,997 million and earnings per share of Rs. 5.39 during the same period last year. The increase in unconsolidated profit is mainly due to higher dividend income from subsidiaries, lower financing costs and depreciation of PKR against USD.

Growth Projects

Prime International Oil & Gas Company Limited, a 50:50 joint venture of Hub Power Holdings Limited (HPHL) - a wholly owned subsidiary of the Company - and ENI's local employees, has executed Sale and Purchase Agreements (SPAs) to acquire all the upstream operations in Pakistan of ENI and renewable energy assets owned by ENI in Pakistan. Moving forward, Hubco is looking to explore growth opportunities in diversified areas including water, renewable energy, upstream oil & gas, mining and infrastructure.

ThalNova Power Thar (Pvt.) Limited

USD and PKR lenders have disbursed funds in April 2021 for the lignite based 330MW ThalNova Power Project in Thar Block II, the financial close of which was achieved on 30th September 2020. The Project's construction has reached ~37% completion and post disbursement, construction of the Project would be accelerated with the expected achievement of Commercial Operations Date (COD) by June 2022.

Thar Energy Limited

The lignite based 330MW Thar Energy Limited Project in Thar Block II has completed ~63% of Project Construction and targets to achieve Commercial Operations Date (COD) by March 2022. The Private Power and Infrastructure Board (PPIB) announced the Financial Close of Thar Energy Limited on January 30th, 2020 and the first draw down against Pak Rupee loan was made in March 2020.

Hub Plant

During the period under review, Hub plant generation was 105GWh as compared to 34GWh in the corresponding period last year, at a load factor of 1.3% (2019-20: 0.4%).

Narowal Plant

During the period under review, Narowal Plant generated 349GWh as compared to 298GWh in the corresponding period last year, at a load factor of 24.6% (2019-20: 21.1%).

Laraib Plant

During the period under review, Laraib Plant generated 321GWh as compared to 242GWh in the corresponding period last year, at a load factor of 58% (2019-20: 44%).

CPHGC Plant

During the period under review, CPHGC Plant generated 5,344GWh, at a load factor of 65%. Constructed in a record time, as per schedule and within projected costs, CPHGC is a part of the early harvest energy projects under China Pakistan Economic Corridor's framework and the only joint venture project between Chinese and Pakistani Companies, making it a project of national and strategic significance. CPHGC will add 9 billion kWh of electricity to the national grid every year meeting electricity needs of ~4 million households in the Country.

Sindh Engro Coal Mining Company (SECMC)

The Company holds 8% stake in SECMC, which achieved Financial Close (FC) for its Phase II Project in December 2019. The coal from Phase II will be supplied to Thar Energy Limited and ThalNova Power Thar (Pvt.) Limited.

New Ventures Division

The Company continues to pave the way for new various growth opportunities in energy and other areas of infrastructure.

During the period under review, post submission of the proposal for a wastewater recycling Project to the Government of Sindh (GoS) for industrial consumption, the Company received a conditional Right of First Refusal (ROFR) for the Project. This will be Public Private Partnership between the Company and GoS.

With respect to the coal conversion of two of its units at Hub Power Plant to supply power to K-Electric, the Company is in the process of obtaining requisite Government approvals for the Project.

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, 2021

	Note	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Turnover	5	7,140,387	7,059,511	22,762,323	20,754,794
Operating costs	6	(1,943,411)	(2,252,373)	(7,919,365)	(7,704,752)
GROSS PROFIT		5,196,976	4,807,138	14,842,958	13,050,042
General and administration expenses		(185,444)	(197,960)	(627,969)	(577,287)
Other income	7	895,572	2,416,323	5,214,609	2,526,723
Other operating expenses	8	(57,821)	(121,611)	(271,494)	(123,413)
PROFIT FROM OPERATIONS		5,849,283	6,903,890	19,158,104	14,876,065
Finance costs	9	(1,523,658)	(2,450,481)	(4,439,599)	(7,365,091)
PROFIT BEFORE TAXATION		4,325,625	4,453,409	14,718,505	7,510,974
Taxation		(114,970)	(487,360)	(198,400)	(513,646)
PROFIT FOR THE PERIOD		4,210,655	3,966,049	14,520,105	6,997,328
Basic and diluted earnings per share (Rupees)		3.25	3.06	11.19	5.39

The annexed notes from 1 to 25 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, 2021

	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Profit for the period	4,210,655	3,966,049	14,520,105	6,997,328
Other comprehensive loss for the period:				
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>				
Gain / (loss) on revaluation of equity investment at fair value through other comprehensive income	107,748	101,390	(122,995)	(6,118)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>4,318,403</u>	<u>4,067,439</u>	<u>14,397,110</u>	<u>6,991,210</u>

The annexed notes from 1 to 25 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, 2021

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	10,744,173	12,146,305
Intangibles		8,694	25,562
Long term investments	11	57,179,064	56,548,645
Long term deposits and prepayments		22,067	22,167
		67,953,998	68,742,679
CURRENT ASSETS			
Stores, spares and consumables		1,456,838	1,722,145
Stock-in-trade		4,312,222	6,318,866
Trade debts	12	87,074,621	75,030,992
Loans and advances		1,590,048	159,953
Prepayments and other receivables	13	15,950,773	12,035,212
Cash and bank balances		280,033	511,446
		110,664,535	95,778,614
TOTAL ASSETS		178,618,533	164,521,293
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Unappropriated profit		29,425,165	24,108,136
		47,996,709	42,679,680
NON-CURRENT LIABILITIES			
Long term loans	14	31,360,034	34,005,668
Long term lease liabilities		290,197	294,602
		31,650,231	34,300,270
CURRENT LIABILITIES			
Trade and other payables	15	61,470,321	55,980,892
Unclaimed dividend		218,108	207,797
Unpaid dividend		3,931,171	44,380
Interest / mark-up accrued		523,051	809,275
Short term borrowings	16	29,104,801	29,914,138
Current maturity of long term loans		3,696,048	561,518
Current maturity of long term lease liabilities		28,093	23,343
		98,971,593	87,541,343
TOTAL EQUITY AND LIABILITIES		178,618,533	164,521,293
COMMITMENTS AND CONTINGENCIES			
	17		

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


 M. Habibullah Khan
 Chairman


 Khalid Mansoor
 Chief Executive


 Abdul Nasir
 Chief Financial Officer

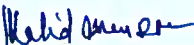



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2021

	Note	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		14,718,505	7,510,974
Adjustments for:			
Depreciation		1,433,865	1,450,982
Amortisation		16,868	23,118
Dividend income from subsidiaries		(4,660,180)	(768,242)
Gain on disposal of fixed assets		(14,108)	(2,854)
Provision against slow moving stores, spares and consumables		239,394	115,508
Staff gratuity		18,107	22,582
Interest income		(6,972)	(54,506)
Interest / mark-up expense		4,059,829	6,934,115
Mark-up on lease liabilities		29,307	33,013
Amortisation of transaction costs		57,435	27,756
Operating profit before working capital changes		15,892,050	15,292,446
Working capital changes		(10,394,196)	(8,414,147)
Cash generated from operations		5,497,854	6,878,299
Interest income received		7,516	40,847
Interest / mark-up paid		(4,346,053)	(6,684,497)
Staff gratuity paid		(14,500)	(35,000)
Taxes paid		(89,416)	(69,329)
Net cash generated from operating activities		1,055,401	130,320
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries		5,073,941	768,242
Fixed capital expenditure		(32,693)	(63,336)
Proceeds from disposal of fixed assets		15,068	6,037
Long term investments made		(753,413)	(7,927,628)
Long term deposits and prepayments		100	(797)
Net cash generated from / (used in) investing activities		4,303,003	(7,217,482)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(5,182,979)	(13,145)
Proceeds from long term loans - net		1,067,414	12,285,447
Repayment of long term loans		(635,953)	(1,058,462)
Repayment of long term lease liabilities		(28,962)	(44,501)
Net cash (used in) / generated from financing activities		(4,780,480)	11,169,339
Net increase in cash and cash equivalents		577,924	4,082,177
Cash and cash equivalents at the beginning of the period		(29,402,692)	(33,799,974)
Cash and cash equivalents at the end of the period	19	(28,824,768)	(29,717,797)

The annexed notes from 1 to 25 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, 2021

	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
ISSUED CAPITAL		
Balance at the beginning of the period	12,971,544	12,971,544
Balance at the end of the period	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM		
Balance at the beginning of the period	5,600,000	5,600,000
Balance at the end of the period	<u>5,600,000</u>	<u>5,600,000</u>
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	24,108,136	13,691,777
Profit for the period	14,520,105	6,997,328
Other comprehensive loss for the period	(122,995)	(6,118)
Total comprehensive income for the period	14,397,110	6,991,210
Transactions with owners in their capacity as owners		
First interim dividend for the fiscal year 2020-21 @ Rs. 4.00 (2019-20 @ Rs. Nil) per share	(5,188,618)	-
Second interim dividend for the fiscal year 2020-21 @ Rs. 3.00 (2019-20 @ Rs. Nil) per share	(3,891,463)	-
	(9,080,081)	-
Balance at the end of the period	<u>29,425,165</u>	<u>20,682,987</u>
TOTAL EQUITY	<u>47,996,709</u>	<u>39,254,531</u>

The annexed notes from 1 to 25 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, 2021

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 Balochistan (Hub plant).

The Company has the following subsidiaries, associates and joint venture:

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) - Legal ownership interest of 47.5%; and
- ThalNova Power Thar (Private) Limited (TNPTL) - Ownership interest of 38.3%.

Joint Venture

- Prime International Oil & Gas Company Limited - Ownership interest of 50%.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements of the Company for the third quarter ended March 31, 2021 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, 2020.

These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investments in subsidiaries 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 unconsolidated financial statements for the year ended June 30, 2020.

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 in the Company's annual unconsolidated financial statements for the year ended June 30, 2020. The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited unconsolidated financial statements for the year ended June 30, 2020.

	Note	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
5. TURNOVER					
Capacity Purchase Price (CPP)		5,863,144	5,519,672	17,037,715	15,434,289
Energy Purchase Price (EPP)		-	-	2,079,764	688,908
Late Payment Interest (LPI)		1,277,243	1,539,839	3,710,662	4,639,677
Startup Charges (SC)		-	-	30,072	25,671
Part Load Adjustment Charges (PLAC)		-	-	154,296	62,463
		<u>7,140,387</u>	<u>7,059,511</u>	<u>23,012,509</u>	<u>20,851,008</u>
Less: Sales tax on EPP		-	-	(250,186)	(96,214)
		<u>7,140,387</u>	<u>7,059,511</u>	<u>22,762,323</u>	<u>20,754,794</u>

6. OPERATING COSTS

Fuel cost		14,306	13,651	2,086,399	733,270
Late payment interest to fuel supplier		613,849	959,662	1,845,523	2,964,170
Stores and spares		118,479	48,990	366,864	167,988
Operations and maintenance	6.1	72,250	88,000	216,750	887,500
Salaries, benefits and other allowances	6.2 & 6.3	181,150	192,147	555,574	192,147
Insurance		230,199	209,378	691,885	611,179
Depreciation		463,903	465,688	1,388,782	1,398,328
Amortisation		2,915	6,687	15,901	22,393
Repairs, maintenance and other costs		246,360	268,170	751,687	727,777
		<u>1,943,411</u>	<u>2,252,373</u>	<u>7,919,365</u>	<u>7,704,752</u>

6.1 This represents services rendered by HPSL under Operations and Maintenance (O&M) Agreement.

6.2 Effective January 01, 2020, the Company entered into a Secondment Agreement with HPSL, whereby certain employees of HPSL were seconded to the Company. This amount represents salaries, wages and benefits of employees seconded from HPSL to the Company. As at March 31, 2021, number of seconded employees were 281 (Mar 2020: 269).

6.3 This includes a sum of Rs. 45 million (Mar 2020: Rs. 18 million) in respect of staff retirement benefits. The retirement benefit plans of the seconded employees are maintained by HPSL.

	Note	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
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7. OTHER INCOME

Financial assets

Interest income	1	20,635	6,972	54,506
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Non-financial assets

Gain on disposal of fixed assets		118	104	14,108	2,854
Dividend income from LEL		660,627	643,242	660,627	643,242
Dividend income from HPSL		-	80,000	100,000	125,000
Dividend income from HPHL		-	-	3,899,553	-
Income from management services	7.1	230,594	1,672,342	528,778	1,700,012
Income from dredging services		4,232	-	4,571	-
Exchange gain - net		-	-	-	1,109
		<u>895,571</u>	<u>2,395,688</u>	<u>5,207,637</u>	<u>2,472,217</u>
		<u>895,572</u>	<u>2,416,323</u>	<u>5,214,609</u>	<u>2,526,723</u>

		3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
7.1 Income from management services					
Services income		441,112	1,819,498	1,033,730	2,110,269
Cost of services	7.1.1	(210,518)	(147,156)	(504,952)	(410,257)
		<u>230,594</u>	<u>1,672,342</u>	<u>528,778</u>	<u>1,700,012</u>

The Company has entered into services agreements with TEL (a subsidiary company) and TNPTL (an associate company). In accordance with the terms of the agreements, the Company provides assistance to TEL and TNPTL in performance of their obligations under relevant project agreements including Power Purchase Agreements, Coal Supply Agreements, Water Use Agreements, Implementation Agreements, EPC Contracts and O&M Agreements.

7.1.1 This includes a sum of Rs. 7 million (Mar 2020: Rs. 12 million) in respect of staff retirement benefits.

		3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
8. OTHER OPERATING EXPENSES					
Exchange loss - net		13,049	1,831	11,818	-
Workers' profit participation fund	8.1	44,772	119,780	259,676	123,413
		<u>57,821</u>	<u>121,611</u>	<u>271,494</u>	<u>123,413</u>

8.1 Workers' profit participation fund

Provision for Workers' profit participation fund		218,520	228,661	748,909	381,720
Workers' profit participation fund recoverable from CPPA(G)		(173,748)	(108,881)	(489,233)	(258,307)
		<u>44,772</u>	<u>119,780</u>	<u>259,676</u>	<u>123,413</u>

9. FINANCE COSTS

Interest / mark-up on long term loans		813,407	1,190,471	2,274,481	3,226,727
Mark-up on long term lease liabilities		9,444	10,625	29,307	33,013
Mark-up on short term borrowings		584,127	1,118,268	1,785,348	3,707,388
Amortisation of transaction costs		19,496	12,272	57,435	27,756
Other finance costs		97,184	118,845	293,028	370,207
		<u>1,523,658</u>	<u>2,450,481</u>	<u>4,439,599</u>	<u>7,365,091</u>

		Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		10,744,173	11,962,435
Capital work-in-progress (CWIP)		-	183,870
	10.1	<u>10,744,173</u>	<u>12,146,305</u>

10.1 Additions to property, plant and equipment during the period were Rs. 33 million (Mar 2020: Rs. 399 million) and disposals therefrom at net book value were Rs. 1 million (Mar 2020: Rs. 3 million).

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
11. 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)	11.1	38,995,534	38,995,534
Narowal Energy Limited (NEL)		3,921,883	3,921,883
Thar Energy Limited (TEL)	11.2	7,165,917	6,412,503
		<u>54,757,623</u>	<u>54,004,209</u>
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,421,441	2,544,436
		<u>57,179,064</u>	<u>56,548,645</u>

11.1 Hub Power Holdings Limited (HPHL)

HPHL, a wholly owned subsidiary, was incorporated in Pakistan on March 10, 2015 as a public limited company. The principal activities of the subsidiary are to invest in new business opportunities.

On November 12, 2020, HPHL issued privately placed secured Sukuk Certificates amounting to Rs. 6,000 million at a discounted value of Rs. 4,948 million covering profit payment for the first two years of the issue. The Sukuk Certificates carry mark-up at the rate of 2.5% per annum above six-month KIBOR. Commencing from Dec 2022, the mark-up on the Sukuk will be payable on semi-annual basis in arrears. The principal will be payable in four equal semi-annual installments commencing from May 2024. In addition to security provided by HPHL's assets, the Sukuk Certificates are also secured by:

- Ranking and subordinated charge over all present and future movable fixed assets of the Company; and
- Revolving Cross Corporate Guarantee from the Company for all principal repayments and profit amounts.

11.1.1 ThalNova Power Thar (Private) Limited (TNPTL)

On September 30, 2020, PPIB on behalf of the Government of Pakistan notified the achievement of Financial Close of TNPTL. On April 02, 2021, Foreign Lenders have made first disbursement followed by local lenders making first disbursement on April 05, 2021 for various project expenses.

On January 31, 2020, CMEC (the EPC Contractor of TNPTL's project) notified TNPTL for Force Majeure Event (FME) due to outbreak of Coronavirus (COVID-19) in China and across the globe, the same was declared as pandemic by the World Health Organisation (WHO). Under the PPA, TNPTL's Required Commercial Operations Date (RCOD) was March 31, 2021. TNPTL has the obligation to pay CPPA(G), Liquidated Damages (LDs), equivalent to the payment of proportionate Transmission Service Charges (TSC) payable by National Transmission and Dispatch Company Limited (NTDC) to Pak Matiari-Lahore Transmission Company Limited, for any delay in COD of March 31, 2021. TNPTL expects to achieve COD by the mid of 2022, which will result in LDs amounting to USD 2.68 million for each month of delay. Considering the delay in COD, TNPTL has requested PPIB and CPPA(G) for extension in RCOD.

11.1.2 Prime International Oil & Gas Company Limited (Prime)

On March 08, 2021, Prime (a 50:50 joint venture of HPHL and ENI local employees – 'the EBO Group') executed Sale and Purchase Agreements (SPAs) to acquire all the upstream operations and renewable energy assets owned by ENI in Pakistan. The Company and the EBO Group have acquired 50% shareholding each in Prime, in accordance with the Shareholders' Agreement (SHA) entered to such effect.

Under SPAs, Prime is required to complete certain conditions precedent within 18 (eighteen) months from the date of SPAs. These conditions include but not limited to (i) payment of a deposit as defined in SPAs and (ii) obtaining regulatory approvals from the government authorities.

HPL paid an initial contribution in Prime amounting to Rs. 525 million on March 08, 2021, enabling Prime to make payment of deposit to ENI entities, fulfilling condition (i) above. This initial contribution includes a 50% contribution of the EBO Group (Rs. 262.5 million), which will be refunded to HPHL by the EBO group within three months from the SPAs date, as required by the SHA. Furthermore, under the SHA, HPHL also invested Rs. 18.08 million in Prime on March 17, 2021, to meet transaction-related expenses for ENI entities' acquisition. Prime is currently pursuing with the government authorities, including Competition Commission of Pakistan, State Bank of Pakistan and Director General Petroleum Concessions for obtaining required approvals under the SPAs.

The SPAs stipulate a locked box date of December 31, 2019, as a cutoff date between Prime and ENI entities, after which all net profits derived from the operations of ENI entities will be available for the benefit of Prime upon the completion of the conditions precedent. Pending fulfillment of conditions precedent under the SPAs, ENI entities will continue to be managed by the present owners and, accordingly, Prime cannot exercise any control over the financial and operational policies of ENI entities. Therefore, as of March 31, 2021, Prime has not accounted for any of the ENI entities' financial results in its financial statements.

HPL is committed to provide Corporate and Bank guarantees amounting to USD 4 million and USD 3 million, respectively.

11.2 Thar Energy Limited (TEL)

On January 30, 2020, PPIB on behalf of the Government of Pakistan notified the achievement of Financial Close (FC) of TEL.

In relation to the achievement of TEL's FC, a Deed of Undertaking (Deed) was signed between TEL and Habib Bank Limited (the Intercreditor Agent), pursuant to which TEL was required to procure the following no later than June 30, 2020, subject to the terms and conditions defined in the Deed:

- i. An amendment in the Sponsor Support Agreement (SSA) executed between TEL, its shareholders and its lenders for Additional Sponsor Support up to maximum of USD 19.5 million in which the Company's share will be USD 11.7 million (based on the 60% equity stake); and
- ii. An amendment in the Coal Supply Agreement (CSA) in a way that coal supply by SECMC is available by December 31, 2021.

During the period, upon request of TEL, the Intercreditor Agent extended the time period till when TEL was required to satisfy the requirement of Deed of Undertaking from June 30, 2020 to November 30, 2020 and waived any default or event of default as a result of Covid-19 situation in Pakistan including any breach under loan agreements. TEL has executed the above-mentioned amendment in the SSA and Amendment for CSA before November 30, 2020.

Under the PPA, TEL's Required Commercial Operations Date (RCOD) was March 31, 2021. Any delay in achievement of COD beyond the RCOD results in Liquidated Damages (LDs) amounting to USD 2.68 million for each month of delay. TEL expects to achieve COD by March 2022. Considering the delay in COD, TEL has requested PPIB and CPPA(G) for extension in RCOD.

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
12. TRADE DEBTS			
Considered good - Secured			
Capacity Purchase Price (CPP)		41,648,000	33,680,603
Energy Purchase Price (EPP)		9,734,068	7,870,008
Late Payment Interest (LPI)	12.1 & 17.2	34,667,282	31,800,586
Startup Charges (SC)		192,080	241,826
Part Load Adjustment Charges (PLAC)		833,191	694,270
Pass through item - WPPF		-	743,699
	12.2	<u>87,074,621</u>	<u>75,030,992</u>

12.1 This includes Rs. 7,199 million (June 2020: Rs. 6,703 million) related to LPI which is not yet billed by the Company.

- 12.2 This includes an amount of Rs. 78,128 million (June 2020: Rs. 66,079 million) receivable from CPPA(G) which is overdue but not impaired because the trade debts are secured by a guarantee from the GOP under the Implementation Agreement (IA). The delay in payments from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	278,427	42,368
Other receivables		
Interest accrued	-	544
Income tax - refundable	1,294,452	1,403,436
Income tax - (Contractor tax refundable)	372,469	372,469
Sales tax	7,549,780	7,711,710
Staff gratuity	-	6,675
Receivable from LEL	41,333	439,735
Receivable from HPHL	1,585	75,013
Receivable from NEL	3,298	29,223
Receivable from TEL	47,564	32,765
Receivable from TEL against services income	2,595,397	-
Receivable from TNPTL	240,540	100,686
Receivable from TNPTL against services income	1,265,295	46,558
Workers' profit participation fund recoverable from CPPA(G)	2,255,617	1,766,384
Miscellaneous	5,016	7,646
	15,672,346	11,992,844
	<u>15,950,773</u>	<u>12,035,212</u>

14. LONG TERM LOANS

During the period, the Company obtained additional long term loan of Rs. 314 million under the Salary Refinancing Scheme introduced by State Bank of Pakistan (SBP). The loan carries a mark-up of 1.50% per annum which is payable on quarterly basis in arrears. The loan is repayable in eight equal quarterly installments starting from January 2021. Any late payment by the Company is subject to the markup to be calculated at the prevailing rate of three month KIBOR plus 1.50%. The loan is secured against subordinate hypothecation charge over all present and future movable fixed assets of the Company (excluding land and building).

15. TRADE AND OTHER PAYABLES

This includes Rs. 51,161 million (June 2020: Rs. 50,406 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 44,493 million (June 2020: Rs. 44,327 million).

The delay in payments to PSO carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

16. SHORT TERM BORROWINGS

On November 16, 2020, the Company issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 4,500 million at a mark-up of 1.30% per annum above six month KIBOR. The mark-up and the principal on the Sukuk is payable at maturity on May 16, 2021. Any late payment by the Company is subject to mark-up at a rate of 2.00% per annum over six month KIBOR.

17. 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, 2020, except for the following:

- 17.1 In furtherance of the MOU dated August 21, 2020, Central Power Purchasing Agency (Guarantee) Limited (Power Purchaser) and the Company have executed an agreement ("Agreement") on February 11, 2021. The payment of overdue receivables is an integral part of the Agreement. In addition, payment of all invoices will be made in order of its submission so that invoices that have been outstanding the longest (in whole or in part) shall be paid first.

The Parties have also agreed to reduce the existing Fixed Operating Costs Element by 11%, whilst keeping the existing arrangement of indexations. However, the Parties have agreed to discontinue the USD Exchange rate and US CPI indexation on the Project Company Equity and fix the same on National Bank of Pakistan's TT/OD selling PKR/USD exchange rate prevailing as on August 21, 2020 and US CPI for the month of August 2020; however, till the current exchange rate reaches that of August 21, 2020 i.e. PKR 168.60/USD, the existing arrangement under Power Purchase Agreement (PPA) for the half year January 2021 - June 2021 shall apply for future billings.

The Parties have also agreed to engage without delay, on signing of the Agreement, in good faith negotiations and discussion and use their best endeavours to achieve pre-mature termination of the PPA, which will be mutually beneficial, resulting in compensation to the Company, while saving GOP substantial sums in lieu of capacity payments till the expiry of the PPA. In parallel, the Parties have also agreed that certain outstanding dispute(s) shall be resolved through arbitration under the PPA.

- 17.2 Pursuant to the FSA dated August 03, 1992 between the Company and Pakistan State Oil Company Limited (PSO), PSO supplied 128,000 Metric Tons (MT) of Residual Furnace Oil (RFO) as "First Fill" at no charge to the Company in 1996. Since 1996, there had been correspondence exchanged amongst PSO, WAPDA and the Company. PSO, in earlier days, sought payment for the cost of the First Fill RFO from WAPDA and the Company. Both WAPDA and the Company refused to make payment, citing that PSO's obligation under the FSA to supply First Fill RFO to the Company was at no charge.

PSO continued to claim the cost of the First Fill RFO from WAPDA. In fact, such cost was recorded in PSO's audited accounts as a receivable due from WAPDA. The relevant disclosure in the PSO's audited accounts explicitly stated that a letter was signed between PSO and WAPDA on August 5, 1992 under which WAPDA undertook to pay PSO the cost of First Fill. Later through the intervention of President of Pakistan, an interest free loan of Rs. 802 million was sanctioned to WAPDA to enable it to settle PSO's claim for First Fill RFO. Following the payment to PSO, WAPDA started claiming reimbursement of the cost of the First Fill from the Company. The Company denied the same. The Company's position was that it was under no obligation to pay to PSO under FSA.

In 2015, CPPA(G) through back to back arrangements with WAPDA succeeded all the rights and obligations of WAPDA under the existing Power Purchase Agreement. On November 1, 2017, CPPA(G) wrote to the Company requesting a meeting to discuss the payment of First Fill amounting to Rs. 802 Million, along with late payment interest. On November 10, 2017 the Company wrote to CPPA(G) that the Company is under no obligation for any payment with regards to the First Fill and considered the matter closed. Therefore, there was no point in meeting in relation to the matter. On June 13, 2018, CPPA(G) communicated to the Company that the CPPA(G) had decided to adjust the amount of Rs. 802 Million along with interest of Rs. 10,723 million against the Company's outstanding LPI invoices.

Due to the above-mentioned action of CPPA(G), the Company was constrained to file a suit before the Sindh High Court (i.e. Suit No. 1411 of 2018) for a declarative injunction against CPPA(G). The Sindh High Court via its Order dated July 9, 2018, directed that status quo be maintained with respect to the amount demanded by CPPA(G) from the Company on account of the First Fill and restrained CPPA(G) from adjusting the First Fill claim amount.

In light of CPPA(G) continuing violation of the orders of the Honourable Sindh High Court (SHC), the Company filed application bearing CMA No. 13776/2020 in the Suit. Such application sought inter alia to restrain CPPA(G), and the Committee, from further violation of the orders of the Honourable SHC by deducting the Impugned Demand when devising the mechanism for settlement of dues of the Company pursuant to MOU (refer note 17.1).

Through order dated December 02, 2020, the Honourable SHC, by way of ad-interim relief, directed CPPA(G) not to deduct the Impugned Demand when devising a mechanism for payment of receivables of the Company, and to abide by previous orders.

With the negotiations underway in furtherance of the MOU dated August 21, 2020 (refer note 17.1), the Company filed Suit No. 95 of 2021, wherein the Honourable SHC was pleased to pass an ad-interim order restraining the CPPA(G) and the IPP committee from deducting/adjusting the amount for the First Fill RFO supplied to the Company by PSO i.e. amount of Rs. 802 million together with interest thereon aggregating to Rs. 11.5 billion.

Pursuant to the Master Agreement dated February 11, 2021, the Company and CPPA(G) filed an Application dated March 03, 2021. The Court has disposed the said Suit and a consent order was obtained from Honourable SHC, wherein it was confirmed that CPPA(G) would participate in the arbitration proceedings as and when initiated by the Company pursuant to the PPA to resolve the First Fill Dispute. The Company and CPPA(G) are currently in a process to agree the terms and conditions for the appointment of Justice (R) Jawwad S. Khawaja as the sole arbitrator in the matter.

Moreover, in relation to the fresh Suit No. 95 of 2021 filed before the High Court, the same was withdrawn pursuant to the Master Agreement dated February 11, 2021.

18. RELATED PARTY TRANSACTIONS AND BALANCES

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

18.1 Details of transactions	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Subsidiaries		
Laraib Energy Limited		
Reimbursable expenses incurred on behalf of subsidiary	43,204	59,570
Receipts against reimbursement of expenses from subsidiary	27,840	59,945
Dividend received	1,074,388	643,242
Hub Power Holdings Limited		
Investment in subsidiary	-	6,822,500
Reimbursable expenses incurred on behalf of subsidiary	28,860	195,065
Receipts against reimbursement of expenses from subsidiary	102,288	151,716
Reimbursable expenses incurred by subsidiary	-	8,970
Payment against reimbursement of expenses to subsidiary	-	11,344
Dividend received	3,899,553	-
Hub Power Services Limited		
Reimbursable expenses incurred on behalf of subsidiary	12,218	39,051
Receipts against reimbursement of expenses from subsidiary	15,708	45,761
Reimbursable expenses incurred by subsidiary	25,952	77,460
Payments against reimbursement of expenses to subsidiary	47,424	59,256
Amount paid for O&M services rendered	247,837	988,201
Dividend received	100,000	125,000

	Note	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Interest expense on loan from subsidiary	18.1.1	7,012	7,615
Payments against interest on loan from subsidiary		9,084	5,544
Transfer of assets by subsidiary		-	30,759
Payments against transfer of assets by subsidiary		-	28,060
Transfer of liabilities by subsidiary		-	40,255
Receipts against transfer of liabilities by subsidiary		-	40,255
Narowal Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		31,480	36,950
Receipts against reimbursement of expenses from subsidiary		33,967	28,703
Interest income on loan to subsidiary	18.2.1	53,278	74,728
Receipts against interest on loan to subsidiary		76,716	49,288
Thar Energy Limited			
Investment in subsidiary		753,414	833,067
Reimbursable expenses incurred on behalf of subsidiary		14,799	23,897
Receipts against reimbursement of expenses from subsidiary		-	1,995
Reimbursable expenses incurred by subsidiary		-	1,734
Payments against reimbursement of expenses to subsidiary		-	324
Services rendered to subsidiary		882,140	2,020,458
Receipts against services income		634,200	2,574,179
Other related parties			
Services rendered to TNPTL		151,590	89,811
Reimbursable expenses incurred on behalf of TNPTL		139,854	104,126
Receipts against reimbursement of expenses from TNPTL		-	47,634
Advance received against services rendered to TNPTL		-	140,000
Remuneration to key management personnel			
Salaries, benefits and other allowances		116,563	122,410
Retirement benefits		3,671	5,151
	18.1.2 & 18.1.3	120,234	127,561
Directors' fee	18.1.4	5,400	3,400
Contribution to staff retirement benefit plan of the Company		21,437	47,387
Contribution to staff retirement benefit plan of HPSL		21,563	2,337
Contribution to staff retirement benefit plan of TEL		807	112
Contribution to staff retirement benefit plan of LEL		32	-

18.1.1 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. 161 million (June 2020: Rs. 129 million).

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

18.1.3 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 15 million (Mar 2020: Rs. 14 million).

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

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

18.2 Details of outstanding balances Subsidiaries	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
Hub Power Services Limited			
Payable to subsidiary		13,734	34,945
Loan from subsidiary	18.1.1	161,300	129,000
Narowal Energy Limited			
Loan to subsidiary	18.2.1	989,692	140,720
Thar Energy Limited			
Advance against management services		-	216,204
Other related parties			
Payable to The Hub Power Company Limited			
- Employees' Provident Fund		-	2,629
- Employees' Gratuity Fund		4,016	-
Payable to Hub Power Services Limited - Pension Fund		24,852	11,279
Payable to Hub Power Services Limited - Gratuity Fund		18,048	-
Payable to Hub Power Services Limited - Provident Fund		-	5,605
Payable to Thar Energy Limited - Employees' Provident Fund		-	112

18.2.1 The Company has provided NEL an unsecured short term loan facility for an amount of up to Rs. 3,000 million, to meet its working capital requirements, which carries markup at the rate of 0.4% 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. 2,208 million (June 2020: Rs. 1,385 million).

19. CASH AND CASH EQUIVALENTS	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Cash and bank balances	280,033	503,773
Short term borrowings	(29,104,801)	(30,221,570)
	<u>(28,824,768)</u>	<u>(29,717,797)</u>

20. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to variety of financial risks namely market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim unconsolidated financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

Fair value estimation

The carrying value of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs from the asset or liability that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
March 2021				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,421,441	2,421,441
June 2020				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,544,436	2,544,436

	3 months ended Mar 2021	3 months ended Mar 2020	9 months ended Mar 2021	9 months ended Mar 2020
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21. PLANT CAPACITY AND PRODUCTION

HUB PLANT

Theoretical Maximum Output	2,592 GWh	2,621 GWh	7,891 GWh	7,920 GWh
Total Output	0 GWh	0 GWh	105 GWh	34 GWh
Load Factor	0.00%	0.00%	1.33%	0.43%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,194 GWh (Mar 2020: 7,265 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

22. 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.

23. ADDITIONAL DISCLOSURE

The World Health Organization has declared COVID-19 (the virus) a global pandemic. With the growing number of cases in Pakistan, the Government of Pakistan has provided directions to take measures to respond to the virus.

While the virus has impacted the global economy, the Company's operations and financial results have not been materially impacted, since all the revenue is receivable from CPPA(G) (refer note 12.2). In future also, the Company does not foresee any significant adverse impact on its operations and financial results.

24. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on April 30, 2021 in accordance with the resolution of the Board of Directors.

25. GENERAL

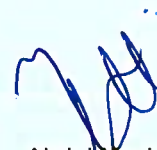
Figures have been rounded off to the nearest thousand Pakistani Rupees, unless otherwise stated.



M. Habibullah Khan
Chairman



Khalid Mansoor
Chief Executive




Abdul Nasir
Chief Financial Officer

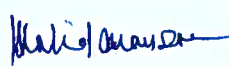



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2021

	Note	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Turnover	5	12,023,417	11,819,673	38,814,608	36,473,262
Operating costs	6	(3,882,794)	(4,315,738)	(14,796,126)	(14,497,769)
GROSS PROFIT		<u>8,140,623</u>	<u>7,503,935</u>	<u>24,018,482</u>	<u>21,975,493</u>
General and administration expenses		(331,942)	(342,648)	(1,084,168)	(1,173,038)
Other income		77,286	159,448	235,492	297,315
Other operating expenses	7	(61,955)	(119,780)	(298,672)	(123,413)
PROFIT FROM OPERATIONS		<u>7,824,012</u>	<u>7,200,955</u>	<u>22,871,134</u>	<u>20,976,357</u>
Finance costs	8	(1,928,011)	(3,105,566)	(5,658,687)	(9,356,587)
Share of profit from associates and joint venture - net	9	4,077,854	3,807,151	11,682,692	8,960,377
Loss on shares to be transferred to GoB		-	-	-	(1,009,029)
PROFIT BEFORE TAXATION		<u>9,973,855</u>	<u>7,902,540</u>	<u>28,895,139</u>	<u>19,571,118</u>
Taxation		(1,155,816)	(512,981)	(3,188,677)	(670,869)
PROFIT FOR THE PERIOD		<u><u>8,818,039</u></u>	<u><u>7,389,559</u></u>	<u><u>25,706,462</u></u>	<u><u>18,900,249</u></u>
Attributable to:					
- Owners of the holding company		8,575,911	7,200,554	24,917,665	18,252,960
- Non-controlling interest		242,128	189,005	788,797	647,289
		<u>8,818,039</u>	<u>7,389,559</u>	<u>25,706,462</u>	<u>18,900,249</u>
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		<u>6.61</u>	<u>5.55</u>	<u>19.21</u>	<u>14.07</u>

The annexed notes from 1 to 26 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, 2021

	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
Profit for the period	8,818,039	7,389,559	25,706,462	18,900,249
Other comprehensive income / (loss) for the period:				
Items that will not be reclassified to profit or loss in subsequent periods				
Gain / (loss) on revaluation of equity investment at fair value through other comprehensive income	107,748	101,390	(122,995)	(6,118)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>8,925,787</u>	<u>7,490,949</u>	<u>25,583,467</u>	<u>18,894,131</u>
Attributable to:				
- Owners of the holding company	8,683,659	7,301,944	24,794,670	18,246,842
- Non-controlling interest	242,128	189,005	788,797	647,289
	<u>8,925,787</u>	<u>7,490,949</u>	<u>25,583,467</u>	<u>18,894,131</u>

The annexed notes from 1 to 26 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, 2021

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	75,233,094	75,600,686
Intangibles		1,423,689	1,441,399
Long term investments	11	66,248,895	54,026,930
Long term deposits, prepayments and others		31,003	35,531
		142,936,681	131,104,546
CURRENT ASSETS			
Stores, spares and consumables		2,574,934	2,893,526
Stock-in-trade		5,340,448	6,699,010
Trade debts	12	115,424,244	99,700,245
Loans and advances		885,853	46,873
Deposits, prepayments and other receivables	13	15,495,113	13,406,781
Cash and bank balances		4,066,987	6,537,425
		143,787,579	129,283,860
TOTAL ASSETS		286,724,260	260,388,406
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Unappropriated profit		73,428,861	57,715,017
Attributable to owners of the holding company		92,000,405	76,286,561
NON-CONTROLLING INTEREST		8,712,238	7,644,781
		100,712,643	83,931,342
NON-CURRENT LIABILITIES			
Long term loans	14	47,563,269	48,137,934
Long term lease liabilities		1,730,761	2,405,269
Deferred taxation		6,099,260	3,170,595
		55,393,290	53,713,798
CURRENT LIABILITIES			
Trade and other payables	15	82,713,561	77,322,905
Unclaimed dividend		218,108	207,797
Unpaid dividend		3,931,171	182,662
Interest / mark-up accrued		1,082,412	1,697,711
Short term borrowings	16	35,865,993	38,861,671
Current maturity of long term loans		6,238,621	3,852,466
Current maturity of long term lease liabilities		535,202	576,095
Taxation-net		33,259	41,959
		130,618,327	122,743,266
TOTAL EQUITY AND LIABILITIES		286,724,260	260,388,406
COMMITMENTS AND CONTINGENCIES			
	17		

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan
Chairman

Khalid Mansoor
Chief Executive


Abdur Nasir
Chief Financial Officer

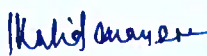



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2021

	Note	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		28,895,139	19,571,118
Adjustments for:			
Depreciation		2,850,277	3,101,804
Amortisation		17,696	26,991
Gain on disposal of fixed assets		(27,359)	(11,895)
Provision against slow moving stores, spares and consumables		256,343	132,427
Share of profit from associates and joint venture - net		(11,682,692)	(8,960,377)
Loss on shares to be transferred to GoB		-	1,009,029
Staff gratuity		29,936	49,820
Interest income		(171,590)	(273,637)
Mark-up on lease liabilities		116,486	173,152
Interest / mark-up expense		5,113,031	8,738,600
Amortisation of transaction costs		84,396	77,946
Operating profit before working capital changes		<u>25,481,663</u>	<u>23,634,978</u>
Working capital changes		(13,602,343)	(13,574,420)
Cash generated from operations		<u>11,879,320</u>	<u>10,060,558</u>
Interest income received		161,643	266,075
Interest / mark-up paid		(5,875,351)	(8,887,840)
Staff gratuity paid		(16,060)	(75,089)
Taxes paid		(156,480)	(213,583)
Net cash generated from operating activities		<u>5,993,072</u>	<u>1,150,121</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,889,047)	(2,773,754)
Proceeds from disposal of fixed assets		28,620	19,306
Long term investments made		(280,628)	(3,369,408)
Long term deposits, prepayments and others		4,528	12,487
Net cash used in investing activities		<u>(2,136,527)</u>	<u>(6,111,369)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(5,182,979)	(13,145)
Dividends paid to non controlling interest		(359,068)	(222,986)
Proceeds from long term loans - net		6,066,518	17,971,134
Repayment of long term loans		(3,809,381)	(4,586,005)
Proceeds against issuance of shares to non controlling interest (TEL)		499,703	416,533
Repayment of long term lease liabilities		(545,456)	(539,152)
Share issuance cost		(642)	(19,071)
Net cash (used in) / generated from financing activities		<u>(3,331,305)</u>	<u>13,007,308</u>
Net increase in cash and cash equivalents		525,240	8,046,060
Cash and cash equivalents at the beginning of the period		(32,324,246)	(41,346,671)
Cash and cash equivalents at the end of the period	20	<u>(31,799,006)</u>	<u>(33,300,611)</u>

The annexed notes from 1 to 26 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, 2021

	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY		
ISSUED CAPITAL		
Balance at the beginning of the period	12,971,544	12,971,544
Balance at the end of the period	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM		
Balance at the beginning of the period	5,600,000	5,600,000
Balance at the end of the period	<u>5,600,000</u>	<u>5,600,000</u>
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	57,715,017	32,427,157
Profit for the period	24,917,665	18,252,960
Other comprehensive loss for the period	(122,995)	(6,118)
Total comprehensive income for the period	24,794,670	18,246,842
Share issuance cost	(745)	(40,826)
Transactions with owners in their capacity as owners		
First interim dividend for the fiscal year 2020-21 @ Rs. 4.00 (2019-20 @ Rs. Nil) per share	(5,188,618)	-
Second interim dividend for the fiscal year 2020-21 @ Rs. 3.00 (2019-20 @ Rs. Nil) per share	(3,891,463)	-
	(9,080,081)	-
Balance at the end of the period	<u>73,428,861</u>	<u>50,633,173</u>
Attributable to owners of the holding company	<u>92,000,405</u>	<u>69,204,717</u>
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	7,644,781	6,424,007
Total comprehensive income for the period	788,797	647,289
Dividend	(220,786)	(214,976)
Investment made	499,703	416,533
Share issuance cost	(257)	-
Balance at the end of the period	<u>8,712,238</u>	<u>7,272,853</u>
TOTAL EQUITY	<u>100,712,643</u>	<u>76,477,570</u>

The annexed notes from 1 to 26 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, 2021

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 holding company and following subsidiaries / associates / joint venture:

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) - Legal ownership interest of 47.5%; and
- ThalNova Power Thar (Private) Limited (TNPTL) - ownership interest of 38.3%.

Joint Venture

- Prime International Oil & Gas Company Limited (PRIME) - Ownership interest of 50%.

Thar Energy Limited (TEL)

On January 30, 2020, PPIB on behalf of the Government of Pakistan notified the achievement of Financial Close (FC) of TEL.

In relation to the achievement of TEL's FC, a Deed of Undertaking (Deed) was signed between TEL and Habib Bank Limited (the Intercreditor Agent), pursuant to which TEL was required to procure the following no later than June 30, 2020, subject to the terms and conditions defined in the Deed:

- i. An amendment in the Sponsor Support Agreement (SSA) executed between TEL, its shareholders and its lenders for Additional Sponsor Support up to maximum of USD 19.5 million in which the Company's share will be USD 11.7 million (based on the 60% equity stake); and
- ii. An amendment in the Coal Supply Agreement (CSA) in a way that coal supply by SECMC is available by December 31, 2021.

During the period, upon request of TEL, the Intercreditor Agent extended the time period till when TEL was required to satisfy the requirement of Deed of Undertaking from June 30, 2020 to November 30, 2020 and waived any default or event of default as a result of Covid-19 situation in Pakistan including any breach under loan agreements. TEL has executed the above-mentioned amendment in the SSA and Amendment for CSA before November 30, 2020.

Under the PPA, TEL's Required Commercial Operations Date (RCOD) was March 31, 2021. Any delay in achievement of COD beyond the RCOD results in Liquidated Damages (LDs) amounting to USD 2.68 million for each month of delay. TEL expects to achieve COD by March 2022. Considering the delay in COD, TEL has requested PPIB and CPPA(G) for extension in RCOD.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the third quarter ended March 31, 2021 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 consolidated financial statements and should be read in conjunction with the holding company's annual consolidated financial statements for the year ended June 30, 2020.

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 consolidated financial statements for the year ended June 30, 2020.

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 in the Group's annual consolidated financial statements for the year ended June 30, 2020. 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, 2020.

	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
5. TURNOVER				
Capacity Purchase Price (CPP)	8,962,633	8,596,401	26,559,927	24,851,328
Energy Purchase Price (EPP)	1,499,041	1,242,440	7,811,414	6,115,768
Late Payment Interest (LPI)	1,779,553	2,165,400	5,341,889	6,302,973
Startup Charges (SC)	-	-	30,072	25,671
Part Load Adjustment Charges (PLAC)	-	-	154,296	62,463
	<u>12,241,227</u>	<u>12,004,241</u>	<u>39,897,598</u>	<u>37,358,203</u>
Less: Sales tax on EPP	(217,810)	(184,568)	(1,082,990)	(884,941)
	<u>12,023,417</u>	<u>11,819,673</u>	<u>38,814,608</u>	<u>36,473,262</u>
6. OPERATING COSTS				
Fuel cost	1,094,306	912,128	6,291,867	4,851,795
Late Payment Interest to fuel suppliers	613,849	975,551	1,845,523	3,014,409
Water use charges	39,676	36,250	132,517	94,986
Salaries, benefits and other allowances	6.1 296,082	294,505	924,699	974,854
Stores and spares	190,195	216,798	647,139	465,648
Insurance	349,163	306,489	1,051,014	922,511
Depreciation	908,553	1,172,115	2,784,569	3,002,498
Amortisation	3,168	7,003	16,659	25,753
Repairs, maintenance and other costs	387,802	394,899	1,102,139	1,145,315
	<u>3,882,794</u>	<u>4,315,738</u>	<u>14,796,126</u>	<u>14,497,769</u>

6.1 This includes a sum of Rs. 73 million (Mar 2020: Rs. 86 million) in respect of staff retirement benefits.

	Note	3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
7. OTHER OPERATING EXPENSES					
Exchange loss		17,183	-	38,996	-
Workers' profit participation fund	7.1	44,772	119,780	259,676	123,413
		<u>61,955</u>	<u>119,780</u>	<u>298,672</u>	<u>123,413</u>
7.1 Workers' profit participation fund					
Provision for workers' profit participation fund		293,212	284,329	970,378	548,762
Workers' profit participation fund recoverable from CPPA(G)		(248,440)	(164,549)	(710,702)	(425,349)
		<u>44,772</u>	<u>119,780</u>	<u>259,676</u>	<u>123,413</u>

The holding company and NEL are required to pay 5% of their profits 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) as a pass through item.

		3 months ended Mar 2021 (Rs. '000s)	3 months ended Mar 2020 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
8. FINANCE COSTS					
Interest / mark-up on long term loans		1,019,098	1,441,692	2,809,620	4,066,061
Mark-up on short term borrowings		732,235	1,466,764	2,303,411	4,672,539
Mark-up on long term lease liabilities		34,685	53,103	116,486	173,152
Amortisation of transaction costs		27,495	29,253	84,396	77,946
Other finance costs		114,498	114,754	344,774	366,889
		<u>1,928,011</u>	<u>3,105,566</u>	<u>5,658,687</u>	<u>9,356,587</u>
9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET					
Associates					
China Power Hub Generation Company (Private) Limited					
- representing 47.5% (Mar 2020: 47.5%) equity shares		4,231,434	3,920,805	12,096,724	9,256,351
- obligation in respect of profit on shares related to GoB		(133,622)	(123,811)	(382,000)	(296,035)
		<u>4,097,812</u>	<u>3,796,994</u>	<u>11,714,724</u>	<u>8,960,316</u>
- ThalNova Power Thar (Private) Limited		(4,344)	10,157	(16,418)	61
		<u>4,093,468</u>	<u>3,807,151</u>	<u>11,698,306</u>	<u>8,960,377</u>
Joint Venture					
- Prime International Oil & Gas Company Limited		(15,614)	-	(15,614)	-
		<u>4,077,854</u>	<u>3,807,151</u>	<u>11,682,692</u>	<u>8,960,377</u>

		Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment		41,633,486	44,914,860
Capital work-in-progress			
Holding company		-	183,870
NEL		-	600
LEL		177	14,166
TEL		33,598,970	30,486,331
HPSL		461	859
		<u>33,599,608</u>	<u>30,685,826</u>
		<u>75,233,094</u>	<u>75,600,686</u>
11. LONG TERM INVESTMENTS			
Investment in associates - unquoted			
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1	58,317,830	46,221,106
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	<u>5,244,610</u>	<u>5,261,388</u>
		63,562,440	51,482,494
Investment in joint venture (under equity method) - unquoted			
- Prime International Oil & Gas Company Limited (Prime)	11.3	265,014	-
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,421,441	2,544,436
		<u>66,248,895</u>	<u>54,026,930</u>
11.1 China Power Hub Generation Company (Private) Limited (CPHGC)			
Opening investment		46,221,106	28,995,221
Investment during the period / year		-	3,097,346
Share of profit from associate		12,096,724	14,150,294
Group's share in share issue cost		-	(21,755)
		<u>58,317,830</u>	<u>46,221,106</u>
11.2 ThalNova Power Thar (Private) Limited (TNPTL)			
Opening investment		5,261,388	5,262,908
Share of (loss) / profit from associate		(16,418)	652
Group's share in share issue cost		(360)	(2,172)
		<u>5,244,610</u>	<u>5,261,388</u>

On September 30, 2020, PPIB on behalf of the Government of Pakistan notified the achievement of Financial Close of TNPTL. On April 02, 2021, Foreign Lenders have made first disbursement followed by local lenders making first disbursement on April 05, 2021 for various project expenses.

On January 31, 2020, CMEC (the EPC Contractor of TNPTL's project) notified TNPTL for Force Majeure Event (FME) due to outbreak of Coronavirus (COVID-19) in China and across the globe, the same was declared as pandemic by the World Health Organisation (WHO). Under the PPA, TNPTL's Required Commercial Operations Date (RCOD) was March 31, 2021. TNPTL has the obligation to pay CPPA(G), Liquidated Damages (LDs), equivalent to the payment of proportionate Transmission Service Charges (TSC) payable by National Transmission and Dispatch Company Limited (NTDC) to Pak Matiari-Lahore Transmission Company Limited, for any delay in COD of March 31, 2021. TNPTL expects to achieve COD by the mid of 2022, which will result in LDs amounting to USD 2.68 million for each month of delay. Considering the delay in COD, TNPTL has requested PPIB and CPPA(G) for extension in RCOD.

11.3 Prime International Oil & Gas Company Limited (PRIME)

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
Opening investment		-	-
Investment during the period		280,628	-
Share of loss from joint venture		(15,614)	-
		<u>265,014</u>	<u>-</u>

On March 08, 2021, Prime (a 50:50 joint venture of HPHL and ENI local employees – 'the EBO Group') executed Sale and Purchase Agreements (SPAs) to acquire all the upstream operations and renewable energy assets owned by ENI in Pakistan. The Company and the EBO Group have acquired 50% shareholding each in Prime, in accordance with the Shareholders' Agreement (SHA) entered to such effect.

Under SPAs, Prime is required to complete certain conditions precedent within 18 (eighteen) months from the date of SPAs. These conditions include but not limited to (i) payment of a deposit as defined in SPAs and (ii) obtaining regulatory approvals from the government authorities.

HPHL paid an initial contribution in Prime amounting to Rs. 525 million on March 08, 2021, enabling Prime to make payment of deposit to ENI entities, fulfilling condition (i) above. This initial contribution includes a 50% contribution of the EBO Group (Rs. 262.5 million), which will be refunded to HPHL by the EBO group within three months from the SPAs date, as required by the SHA. Furthermore, under the SHA, HPHL also invested Rs. 18.08 million in Prime on March 17, 2021, to meet transaction-related expenses for ENI entities' acquisition. Prime is currently pursuing with the government authorities, including Competition Commission of Pakistan, State Bank of Pakistan and Director General Petroleum Concessions, for obtaining required approvals under the SPAs.

The SPAs stipulate a locked box date of December 31, 2019, as a cutoff date between Prime and ENI entities, after which all net profits derived from the operations of ENI entities will be available for the benefit of Prime upon the completion of the conditions precedent. Pending fulfillment of conditions precedent under the SPAs, ENI entities will continue to be managed by the present owners and, accordingly, Prime cannot exercise any control over the financial and operational policies of ENI entities. Therefore, as of March 31, 2021, Prime has not accounted for any of the ENI entities' financial results in its financial statements.

HPHL is committed to provide Corporate and Bank guarantees amounting to USD 4 million and USD 3 million, respectively.

Based on the committed equity percentage of 50% and rights and obligations envisaged in the SHA, the investment in Prime is classified as a Joint Venture and is accounted for under the equity method in these condensed interim consolidated financial statements.

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
12. TRADE DEBTS - secured			
Considered good - Secured			
Capacity Purchase Price (CPP)		56,430,483	44,230,304
Energy Purchase Price (EPP)		15,726,788	15,177,560
Late Payment Interest (LPI)	12.1	41,913,305	38,380,467
Startup Charges (SC)		192,080	241,826
Part Load Adjustment Charges (PLAC)		833,191	694,270
Pass through items (WPPF and taxes)		328,397	975,818
	12.2	<u>115,424,244</u>	<u>99,700,245</u>

12.1 This includes Rs. 8,471 million (June 2020: Rs. 8,457 million) related to LPI which is not yet billed by the Group.

12.2 This includes an amount of Rs. 96,819 million (June 2020: Rs. 82,164 million) from CPPA(G) and Rs. 5,360 million (June 2020: Rs. 3,121 million) from NTDC which are overdue but not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreements (IA).

The delay in payments under Hub PPA carries mark-up at State Bank of Pakistan (SBP) reverse repo plus 2% per annum compounded semi-annually and the delay in payments under Narowal and Laraib PPAs carries mark-up at a rate of three month KIBOR plus 4.5% and six month KIBOR plus 2% per annum respectively, compounded semi-annually for all overdue invoices except Late Payment Interest invoices.

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		359	359
Prepayments		389,059	70,048
Other receivables			
Interest accrued		13,118	3,170
Income tax - refundable		1,294,452	1,403,436
Income tax - Contractor tax refundable		372,469	372,469
Sales tax		8,499,474	8,574,666
Advance tax		7,177	10,425
Staff gratuity		2,842	14,264
Pension fund		628	-
Receivable from TNPTL		337,343	169,908
Receivable from TNPTL against services income		1,265,295	46,558
Receivable from CPHGC		14,906	-
Workers' profit participation fund recoverable from CPPA(G)	7.1	3,271,940	2,561,238
Miscellaneous		26,051	180,240
		15,105,695	13,336,374
		<u>15,495,113</u>	<u>13,406,781</u>

14. LONG TERM LOANS

14.1 During the period, the Group obtained additional long term loan of Rs. 437 million under the Salary Refinancing Scheme introduced by State Bank of Pakistan (SBP). The loan carries a mark-up of 1.50% per annum which is payable on quarterly basis in arrears. The loan is repayable in eight equal quarterly installments starting from January 2021. Any late payment by the holding company is subject to the markup to be calculated at the prevailing rate of three month KIBOR plus 1.50%. The loan is secured against subordinate hypothecation charge over all present and future movable fixed assets of the holding company and NEL (excluding land and building).

14.2 On November 12, 2020, HPHL issued privately placed secured Sukuk Certificates amounting to Rs. 6,000 million at a discounted value of Rs. 4,948 million covering profit payment for the first two years of the issue. The Sukuk Certificates carry mark-up at the rate of 2.5% per annum above six-month KIBOR. Commencing from Dec 2022, the mark-up on the Sukuk will be payable on semi-annual basis in arrears. The principal will be payable in four equal semi-annual installments commencing from May 2024. The Sukuk Certificates are secured by:

- Ranking and subordinated charge over all present and future movable fixed assets of the holding company;
- Ranking and subordinated floating charge over all present and future movable fixed and current assets of HPHL;
- Revolving Cross Corporate Guarantee from the holding company for all principal repayments and profit amounts; and
- Liquid Asset (cash, cash equivalent and others) in the amount of the next payment due, inclusive of both the due and payable instalment, to be held under first pari-passu charge. Such security will be created at least ninety (90) days prior to the Payment Date.

15. TRADE AND OTHER PAYABLES

15.1 This includes Rs. 51,161 million (June 2020: Rs. 50,406 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 44,493 million (June 2020: Rs. 44,327 million).

The delay in payments to PSO carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

16. SHORT TERM BORROWINGS

- 16.1 On November 16, 2020, the holding company issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 4,500 million at a mark-up of 1.30% per annum above six month KIBOR. The mark-up and the principal on the Sukuk is payable at maturity on May 16, 2021. Any late payment by the holding company is subject to mark-up at a rate of 2.00% per annum over six month KIBOR.

17. 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, 2020, except as follows:

- 17.1 In connection with the operations of holding company:

- 17.1.1 In furtherance of the MOU dated August 21, 2020, Central Power Purchasing Agency (Guarantee) Limited (Power Purchaser) and the holding company have executed an agreement ("Agreement") on February 11, 2021. The payment of overdue receivables is an integral part of the Agreement. In addition, payment of all invoices will be made in order of its submission so that invoices that have been outstanding the longest (in whole or in part) shall be paid first.

The Parties have also agreed to reduce the existing Fixed Operating Costs Element by 11%, whilst keeping the existing arrangement of indexations. However, the Parties have agreed to discontinue the USD Exchange rate and US CPI indexation on the Project Company Equity and fix the same on National Bank of Pakistan's TT/OD selling PKR/USD exchange rate prevailing as on August 21, 2020 and US CPI for the month of August 2020; however, till the current exchange rate reaches that of August 21, 2020 i.e. PKR 168.60/USD, the existing arrangement under Power Purchase Agreement (PPA) for the half year January 2021 - June 2021 shall apply for future billings.

The Parties have also agreed to engage without delay, on signing of the Agreement, in good faith negotiations and discussion and use their best endeavours to achieve pre-mature termination of the PPA, which will be mutually beneficial, resulting in compensation to the holding company, while saving GOP substantial sums in lieu of capacity payments till the expiry of the PPA. In parallel, the Parties have also agreed that certain outstanding dispute(s) shall be resolved through arbitration under the PPA.

- 17.1.2 Pursuant to the FSA dated August 03, 1992 between the holding company and Pakistan State Oil Company Limited (PSO), PSO supplied 128,000 Metric Tons (MT) of Residual Furnace Oil (RFO) as "First Fill" at no charge to the holding company in 1996. Since 1996, there had been correspondence exchanged amongst PSO, WAPDA and the holding company. PSO, in earlier days, sought payment for the cost of the First Fill RFO from WAPDA and the holding company. Both WAPDA and the holding company refused to make payment, citing that PSO's obligation under the FSA to supply First Fill RFO to the holding company was at no charge.

PSO continued to claim the cost of the First Fill RFO from WAPDA. In fact, such cost was recorded in PSO's audited accounts as a receivable due from WAPDA. The relevant disclosure in the PSO's audited accounts explicitly stated that a letter was signed between PSO and WAPDA on August 5, 1992 under which WAPDA undertook to pay PSO the cost of First Fill. Later through the intervention of President of Pakistan, an interest free loan of Rs. 802 million was sanctioned to WAPDA to enable it to settle PSO's claim for First Fill RFO. Following the payment to PSO, WAPDA started claiming reimbursement of the cost of the First Fill from the holding company. The holding company denied the same. The holding company's position was that it was under no obligation to pay to PSO under FSA.

In 2015, CPPA(G) through back to back arrangements with WAPDA succeeded all the rights and obligations of WAPDA under the existing Power Purchase Agreement. On November 1, 2017, CPPA(G) wrote to the holding company requesting a meeting to discuss the payment of First Fill amounting to Rs. 802 Million, along with late payment interest. On November 10, 2017 the holding company wrote to CPPA(G) that the holding company is under no obligation for any payment with regards to the First Fill and considered the matter closed. Therefore, there was no point in meeting in relation to the matter. On June 13, 2018, CPPA(G) communicated to the holding company that the CPPA(G) had decided to adjust the amount of Rs. 802 Million along with interest of Rs. 10,723 million against the holding company's outstanding LPI invoices.

Due to the above-mentioned action of CPPA(G), the holding company was constrained to file a suit before the Sindh High Court (i.e. Suit No. 1411 of 2018) for a declarative injunction against CPPA(G). The Sindh High Court via its Order dated July 9, 2018, directed that status quo be maintained with respect to the amount demanded by CPPA(G) from the holding company on account of the First Fill and restrained CPPA(G) from adjusting the First Fill claim amount.

In light of CPPA(G) continuing violation of the orders of the Honourable Sindh High Court (SHC), the holding company filed application bearing CMA No. 13776/2020 in the Suit. Such application sought inter alia to restrain CPPA(G), and the Committee, from further violation of the orders of the Honourable SHC by deducting the Impugned Demand when devising the mechanism for settlement of dues of the holding company pursuant to MOU (refer note 17.1.1).

Through order dated December 02, 2020, the Honourable SHC, by way of ad-interim relief, directed CPPA(G) not to deduct the Impugned Demand when devising a mechanism for payment of receivables of the holding company, and to abide by previous orders.

With the negotiations underway in furtherance of the MOU dated August 21, 2020 (refer note 17.1.1), the holding company filed Suit No. 95 of 2021, wherein the Honourable SHC was pleased to pass an ad-interim order restraining the CPPA (G) and the IPP committee from deducting/adjusting the amount for the First Fill RFO supplied to the holding company by PSO i.e. amount of Rs. 802 million together with interest thereon aggregating to Rs. 11.5 billion.

Pursuant to the Master Agreement dated February 11, 2021, the holding company and CPPA(G) filed an Application dated March 03, 2021. The Court has disposed the said Suit and a consent order was obtained from Honourable SHC, wherein it was confirmed that CPPA(G) would participate in the arbitration proceedings as and when initiated by the holding company pursuant to the PPA to resolve the First Fill Dispute. The holding company and CPPA (G) are currently in a process to agree the terms and conditions for the appointment of Justice (R) Jawwad S. Khawaja as the sole arbitrator in the matter.

Moreover, in relation to the fresh Suit No. 95 of 2021 filed before the High Court, the same was withdrawn pursuant to the Master Agreement dated February 11, 2021.

17.2 In connection with the operations of NEL:

17.2.1 In furtherance of the MOU, CPPA(G) Limited and NEL have executed an agreement (“Agreement”) on February 11, 2021. Under the Agreement, the future O&M savings and heat rate efficiency shall be shared by the Parties. The payment of overdue receivables is an integral part of the Agreement. On payment of the said receivables, Late Payment Interest (LPI) on future invoices will be lowered to KIBOR + 2.0% for the first sixty (60) days and then shall revert to KIBOR + 4.5% as per the PPA, while ensuring that payments follow the PPA mandated FIFO payment principles for this rate to be effective.

The ROE/ROEDC rate shall be changed from the current rate of 15% in USD to 17% in PKR, with no future USD indexation and the USD equity shall be converted to PKR using exchange rate PKR/USD of 148. However, the current indexation shall continue to be applied until the date the applicable exchange rate under the present Tariff reaches PKR/USD of 168. Further, on full implementation of the Competitive Trading Arrangement, subject to mutual agreement between the Parties, the plant will move to Take & pay basis. Reconciliation and terms of assessment of past payments are also part of this Agreement through arbitration comprising three arbitrators with their award being final and binding. Settlement of withheld Capacity Payments dispute settled by LCIA pending enforcement before the Lahore High Court is also part of the Agreement.

17.2.2 In February 2021, the FBR issued an income tax demand of Rs. 409 million relating to the period from July 2017 to June 2019. This is based on FBR’s views that NEL has claimed input tax on goods and services including O&M services provided by HPSL used for maintaining the capacity of the plant and not for production of electricity. NEL filed appeal with the Commissioner of Inland Revenue Appeals (CIR-A) which is pending adjudication. Meanwhile, NEL also filed an application with the SHC which stayed the recovery till disposal of appeal by CIR-A. NEL’s maximum exposure as at March 31, 2021 including the principal amount, penalty and default surcharge is approximately Rs. 411 million.

17.2.3 The Supreme Court of Pakistan (SCP) vide its judgement dated November 10, 2016 set aside the amendments made to the Companies Profits (Workers’ Participation) Act, 1968 (the Act) by Finance Acts of 2006, 2007 and 2008 as ultra vires to the provisions of the Constitution of Pakistan (the Constitution). Accordingly, the provisions of the Act are to be read as if the amendments brought about by the said Finance Acts were never made and the defined term “Worker” reverted to its original definition of prior to Finance Act 2006. However, the Federal Board of Revenue (FBR) has filed a review petition with the SCP in respect of the said decision.

Pursuant to the 18th Amendment to the Constitution, the Sindh Provincial Assembly passed the Sindh Companies Profits (Workers’ Participation) Act, 2015 (the Sindh Act). On February 12, 2018, Sindh High Court (SHC) passed an Order (SHC Order) in respect of the Sindh Act, holding that for trans-provincial companies like NEL, the location of the workers should be considered and an allocation should be made accordingly. The SHC Order further devised a mechanism to compute contributions for trans-provincial companies. In July 2018, the SCP suspended the SHC Order, however, SCP is yet to issue a detailed order on this matter. The interim order passed by SCP only applies inter parties and since NEL was not a party to the case filed in the SCP, it is the SHC Order which is binding on NEL.

On December 02, 2020, the Government of Punjab has promulgated the Companies Profits (Worker’s Participation) Act, 1968 (Act) through Amendment Ordinance 2020 (Ordinance) (Punjab WPPF Laws), requiring that a workers participation fund be established in accordance with the Scheme under the Act as amended through Ordinance. Furthermore, NEL received the letter dated March 20, 2021, with respect to the same. In addition, the work related to formation of Trust to discharge obligations under the Punjab WPPF Laws cannot be initiated by NEL as the newly promulgated Punjab Trust Act 2020 forbids legal persons from forming a trust. NEL is in the process of evaluating its legal position in the matter.

17.3 In connection with the operations of LEL:

The EPC Contractor's obligation to indemnify LEL on account of the liquidated damages imposed by the Power Purchaser arises inter alia under the EPC Contracts as well as under the Settlement Agreement between the Parties, dated January 09, 2015 (Settlement Agreement), wherein it was expressly agreed that the EPC Contractor will pay LEL the liquidated damages for unexcused Forced or Partial Forced Outages, that are imposed by the Power Purchaser. Furthermore, to secure its obligations, the EPC Contractor had provided a Bank Guarantee as Performance Security in the amount of USD 600,000/- (the Performance Security) in favour of LEL. The Performance Security was to originally expire on March 22, 2017, however, following correspondence between the Parties after the Power Purchaser issued the LD Invoice, and in order to secure its obligations under the EPC Contracts and the Settlement Agreement, including its obligation to make payment of any liquidated damages imposed or recovered by the Power Purchaser from LEL, the EPC Contractor agreed to extend the Performance Security from time to time with the Performance Security now being valid until September 10, 2021.

However, the EPC Contractor has now filed a civil suit before the District Court at Islamabad, seeking to restrain LEL from encashing or demanding enhancement of the Performance Guarantee of USD 600,000/- as well as declaratory relief to the effect that the EPC Contractor is not liable to indemnify LEL for LDs imposed/recovered by the Power Purchaser for excess outages. The proceedings in the said civil suit have been split up, with one Court hearing the stay application filed by the EPC Contractor and the other Court hearing the main suit (in line with recent amendments to the Civil Procedure Code as applicable in the Islamabad Capital Territory). LEL through its legal advisor, has filed applications/replies in both proceedings.



18. SEGMENT INFORMATION

18.1 SEGMENT ANALYSIS

The management has determined the operating segments based on the information that is presented to the Board of Directors of the holding company for allocation of resources and assessment of performance. The Group has three reportable segments; power generation business, which includes the Hub plant, Narowal plant & Laraib plant, operations and maintenance business and investments in CPHGC, TEL, TNPTL, SECMC and PRIME.

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

	3 months ended Mar 2021							
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	(Rs. '000s)							
Turnover	7,140,387	3,354,010	1,529,020	136,343	-	-	(136,343)	12,023,417
Operating costs	(1,943,411)	(1,627,128)	(351,663)	(76,692)	-	-	116,100	(3,882,794)
GROSS PROFIT	5,196,976	1,726,882	1,177,357	59,651	-	-	(20,243)	8,140,623
General and administration expenses	(185,444)	(24,648)	(37,709)	(20,839)	(63,919)	-	617	(331,942)
Other income	(1,113)	660	10,671	5,947	49,926	895,454	(884,259)	77,286
Other operating expenses	(11,818)	5	-	-	(5,370)	(44,772)	-	(61,955)
PROFIT FROM OPERATIONS	4,998,601	1,702,899	1,150,319	44,759	(19,363)	850,682	(903,885)	7,824,012
Finance costs	(478,499)	(209,078)	(156,441)	(467)	(1,232,211)	-	148,685	(1,928,011)
Share of profit from associates and joint venture - net	-	-	-	-	4,077,854	-	-	4,077,854
PROFIT BEFORE TAXATION	4,520,102	1,493,821	993,878	44,292	2,826,280	850,682	(755,200)	9,973,855
Taxation	-	(194)	(3,094)	(8,409)	(1,029,149)	(114,970)	-	(1,155,816)
PROFIT FOR THE PERIOD	4,520,102	1,493,627	990,784	35,883	1,797,131	735,712	(755,200)	8,818,039



HUBCO

 3 months ended Mar 2020							
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant					
.....(Rs. '000s)								
Turnover	7,059,511	3,214,963	1,545,199	172,313	-	-	(172,313)	11,819,673
Operating costs	(2,252,373)	(1,564,528)	(596,875)	(97,562)	-	-	195,600	(4,315,738)
GROSS PROFIT	4,807,138	1,650,435	948,324	74,751	-	-	23,287	7,503,935
General and administration expenses	(197,960)	(21,605)	(33,977)	(29,920)	(63,279)	-	4,093	(342,648)
Other income	18,906	1,701	21,121	11,282	114,068	2,395,586	(2,403,216)	159,448
Other operating expenses	-	-	-	-	-	(119,780)	-	(119,780)
PROFIT FROM OPERATIONS	4,628,084	1,630,531	935,468	56,113	50,789	2,275,806	(2,375,836)	7,200,955
Finance costs	(935,290)	(517,185)	(205,246)	(35)	(1,610,677)	(28,385)	191,252	(3,105,566)
Share of loss from associates	-	-	-	-	3,807,151	-	-	3,807,151
PROFIT BEFORE TAXATION	3,692,794	1,113,346	730,222	56,078	2,247,263	2,247,421	(2,184,584)	7,902,540
Taxation	-	(492)	(3,617)	(17,503)	(4,009)	(487,360)	-	(512,981)
PROFIT FOR THE PERIOD	3,692,794	1,112,854	726,605	38,575	2,243,254	1,760,061	(2,184,584)	7,389,559

 9 months ended Mar 2021							
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant					
.....(Rs. '000s)								
Turnover	22,762,323	11,113,808	4,938,682	401,171	-	-	(401,376)	38,814,608
Operating costs	(7,919,365)	(5,898,093)	(1,082,000)	(245,114)	-	-	348,446	(14,796,126)
GROSS PROFIT	14,842,958	5,215,715	3,856,682	156,057	-	-	(52,930)	24,018,482
General and administration expenses	(627,969)	(70,806)	(111,642)	(64,945)	(210,352)	-	1,546	(1,084,168)
Other income	21,080	9,544	25,663	23,444	136,533	5,193,529	(5,174,301)	235,492
Other operating expenses	(11,818)	-	-	-	(27,178)	(259,676)	-	(298,672)
PROFIT FROM OPERATIONS	14,224,251	5,154,453	3,770,703	114,556	(100,997)	4,933,853	(5,225,685)	22,871,134
Finance costs	(1,422,361)	(725,085)	(514,672)	(1,655)	(3,409,291)	(5,413)	419,790	(5,658,687)
Share of profit from associates and joint venture - net	-	-	-	-	11,682,692	-	-	11,682,692
PROFIT BEFORE TAXATION	12,801,890	4,429,368	3,256,031	112,901	8,172,404	4,928,440	(4,805,895)	28,895,139
Taxation	-	(697)	(7,435)	(31,823)	(2,950,322)	(198,400)	-	(3,188,677)
PROFIT FOR THE PERIOD	12,801,890	4,428,671	3,248,596	81,078	5,222,082	4,730,040	(4,805,895)	25,706,462



HUBCO

	9 months ended Mar 2020							Total
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	
	(Rs. '000s)							
Turnover	20,754,794	10,968,265	4,750,203	1,369,323	-	-	(1,369,323)	36,473,262
Operating costs	(7,704,752)	(5,947,178)	(1,274,772)	(882,671)	-	-	1,311,604	(14,497,769)
GROSS PROFIT	13,050,042	5,021,087	3,475,431	486,652	-	-	(57,719)	21,975,493
General and administration expenses	(577,287)	(65,542)	(112,755)	(160,172)	(261,375)	-	4,093	(1,173,038)
Other income	58,469	4,237	45,245	24,669	172,311	2,468,254	(2,475,870)	297,315
Other operating expenses	-	-	-	-	-	(123,413)	-	(123,413)
PROFIT FROM OPERATIONS	12,531,224	4,959,782	3,407,921	351,149	(89,064)	2,344,841	(2,529,496)	20,976,357
Finance costs	(2,642,797)	(1,618,941)	(755,768)	(189)	(4,802,588)	(111,051)	574,747	(9,356,587)
Share of loss from associates	-	-	-	-	8,960,377	-	-	8,960,377
Loss on shares to be transferred to GoB	-	-	-	-	(1,009,029)	-	-	(1,009,029)
PROFIT BEFORE TAXATION	9,888,427	3,340,841	2,652,153	350,960	3,059,696	2,233,790	(1,954,749)	19,571,118
Taxation	-	(1,227)	(6,413)	(132,000)	(17,583)	(513,646)	-	(670,869)
PROFIT FOR THE PERIOD	9,888,427	3,339,614	2,645,740	218,960	3,042,113	1,720,144	(1,954,749)	18,900,249

18.2 SEGMENT ASSETS & LIABILITIES

	As at Mar 31, 2021							Total
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	
	(Rs. '000s)							
Assets	117,350,831	38,883,916	24,367,695	322,054	107,014,138	58,846,261	(60,060,635)	286,724,260
Liabilities	92,101,285	11,495,082	8,356,935	192,107	76,193,682	4,017,456	(6,344,930)	186,011,617

	As at Jun 30, 2020							Total
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	
	(Rs. '000s)							
Assets	107,841,625	36,773,400	25,769,571	320,180	89,916,313	54,135,232	(54,367,915)	260,388,406
Liabilities	86,805,155	13,813,237	12,125,994	171,311	64,035,965	1,056,741	(1,551,339)	176,457,064

19 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associates, joint venture, retirement benefit funds, directors 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 consolidated financial statements, are as follows:

	Note	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
19.1 Details of Transactions			
Associates			
Services rendered to CPHGC		41,630	3,956
Reimbursable expenses incurred on behalf of TNPTL		167,438	140,919
Receipt against reimbursement of expenses from TNPTL		-	47,634
Services rendered to TNPTL		151,590	89,811
Receipt against services agreement from TNPTL		-	140,000
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		265,541	291,862
Retirement benefits		8,874	11,609
	19.1.1	274,415	303,471
Directors' fee	19.1.2	8,450	5,580
Contribution to staff retirement benefit plans		71,274	153,009
Dividend paid to NCI - Coate & Co. Private Limited		341,230	204,297

19.1.1 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.

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

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

	Note	Mar 2021 (Rs. '000s) (Unaudited)	Jun 2020 (Rs. '000s) (Audited)
19.2 Details of Balances			
Other related parties			
Payable to staff retirement benefit plans		56,345	73,880
Loan to Key management personnel		-	1,514

	Note	9 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2020 (Rs. '000s)
20 CASH AND CASH EQUIVALENTS			
Cash and bank balances	20.1	4,066,987	5,088,351
Finances under mark-up arrangements		(35,865,993)	(38,388,962)
		(31,799,006)	(33,300,611)

20.1 This includes an amount of Rs. 2,425 million placed with a bank as a security for issuance of equity Standby Letter of Credit (SBLC) of TNPTL.

21 FINANCIAL RISK MANAGEMENT
Financial risk factors

The Group's activities expose it to variety of financial risks namely market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Group during the period, consequently these condensed interim consolidated financial statements do not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

Fair value estimation

The carrying value of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs from the asset or liability that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
(Rs. '000s)			
March 2021				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,421,441	2,421,441
June 2020				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,544,436	2,544,436

22 PLANT CAPACITY AND PRODUCTION

	3 months ended Mar 2021	3 months ended Mar 2020	9 months ended Mar 2021	9 months ended Mar 2020
<u>HUB PLANT</u>				
Theoretical Maximum Output	2,592 GWh	2,621 GWh	7,891 GWh	7,920 GWh
Output produced	0 GWh	0 GWh	105 GWh	34 GWh
Load Factor	0.00%	0.00%	1.33%	0.43%
Practical maximum output for the power plant taking into account all the scheduled outages is 7,194 GWh (Mar 2020: 7,265 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.				
<u>NAROWAL PLANT</u>				
Theoretical Maximum Output	462 GWh	467 GWh	1406 GWh	1,411 GWh
Output produced	91 GWh	74 GWh	349 GWh	298 GWh
Load Factor	20%	16%	25%	21%

Practical maximum output for the power plant, taking into account all the scheduled outages is 1,368 GWh (Mar 2020: 1,393 GWh). Output produced by the plant is dependent on the load demanded by NTDC and the plant availability.

LARAIB PLANT

Theoretical Maximum Output	181 GWh	183 GWh	552 GWh	554 GWh
Total Output	96 GWh	90 GWh	321 GWh	242 GWh
Load Factor	53%	49%	58%	44%

Output produced by the plant is dependent on available hydrology and the plant availability.

23 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.

24 ADDITIONAL DISCLOSURE

The World Health Organization has declared COVID-19 (the virus) a global pandemic. With the growing number of cases in Pakistan, the Government of Pakistan has provided directions to take measures to respond to the virus.

While the virus has impacted the global economy, the Group's operations and financial results have not been materially impacted, other than disclosed in note 1 and 11.2, since all the revenue is receivable from CPPA(G) / NTDC (refer note 13.2). In future also, the Group does not foresee any significant adverse impact on its operations and financial results.

25 DATE OF AUTHORISATION


These condensed interim consolidated financial statements were authorised for issue on April 30, 2021 in accordance with the resolution of the Board of Directors.

26 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

ڈائریکٹرز کی رپورٹ بسلسلہ انضمام شدہ اور غیر انضمام شدہ مالی گوشوارے برائے

تیسری سہ ماہی ختمہ 31 مارچ، 2021ء

بورڈ آف ڈائریکٹرز مسرت کے ساتھ، 31 مارچ، 2021ء کو ختم ہونے والی تیسری سہ ماہی کے لیے، کمپنی کی مالی اور آپریشنل کارکردگی کا مختصر جائزہ پیش کرتا ہے۔

زیر جائزہ عرصے میں انضمام شدہ خالص منافع 24,918 ملین روپے حاصل ہوا جس کے نتیجے میں فی حصص آمدنی 19.21 روپے ہو گئی جبکہ گزشتہ برس، اسی عرصے کے دوران، خالص منافع 18,253 ملی روپے ہوا تھا اور فی حصص آمدنی 14.07 روپے تھی۔ منافع میں اضافے کی بنیادی وجہ ایسوسی ایٹ کمپنی (چائنا پاور حب جنریشن کمپنی لمیٹڈ) سے ملنے والا درآمد منافع تھا جس نے مورخہ 17 اگست، 2019ء سے تجارتی آپریشنز شروع کر دیئے تھے۔ اس کے علاوہ امریکی ڈالرز کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور مالی اخراجات میں کمی بھی منافع میں اضافے کی وجہ بنے۔

زیر جائزہ عرصے کے دوران غیر انضمام شدہ خالص منافع 14,520 ملین روپے ہو جس کے نتیجے میں فی حصص آمدنی 11.19 روپے ہو گئی جبکہ گزشتہ برس، اسی عرصے کے دوران، خالص منافع 6,997 ملین روپے حاصل ہوا تھا اور فی حصص آمدنی 5.39 روپے تھی۔ غیر انضمام شدہ خالص منافع میں اضافے کی بنیادی وجہ ذیلی کمپنیوں سے منافع منقسم میں زیادہ حصہ اور امریکی ڈالرز کے مقابلے میں پاکستانی روپے کی قدر میں کمی تھی۔

ترقیاتی پروجیکٹس

پرائم انٹرنیشنل آئل اینڈ گیس کمپنی لمیٹڈ، 50:50 کی بنیاد پر حب پاور ہولڈنگز لمیٹڈ (ایچ پی ایچ ایل) کا جوائنٹ وینچر اور کمپنی کا کل ملکیتی ذیلی ادارہ ہے۔ اس ادارے نے انرجی کمپنی، ENI کے مقامی ملازمین کے اشتراک سے پاکستان میں ENI کے اپ اسٹریم آپریشنز اور پاکستان میں ENI کی ملکیت قابل تجدید توانائی کے اثاثوں کے حصول کے لیے سیلز اینڈ پریچیز کے معاہدوں (SPAs) پر دستخط کیے۔ مزید پیشرفت کی صورت میں حبکو پانی، قابل تجدید توانائی، اپ اسٹریم تیل اور گیس، کان کنی اور انفراسٹرکچر پر مشتمل منتوع شعبوں میں ترقی کے مواقع تلاش کرے گی۔

تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ

تھر بلاک II میں قائم، 330MW کی پیداواری گنجائش والے، کمپنی کے دوسرے پروجیکٹ، جس میں ایندھن کے طور پر بھورا کونڈہ استعمال کیا جاتا ہے، تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ، کے لیے امریکی ڈالرز اور پاکستانی روپے میں فنڈز فراہم کرنے والے اداروں نے اپریل،

2021ء میں فنڈ زفراہم کیے اگرچہ فنائنگ کے لیے مالی معاملات، مورخہ 30 ستمبر، 2020ء کو مکمل کر ہو چکے تھے۔ پروجیکٹ کی تعمیر کام و بیش 37 فیصد کام مکمل ہو چکا ہے اور فنڈز کی وصولی کے بعد تعمیر کام اور بھی تیز ہو جائے گا۔ اس طرح توقع ہے کہ یہ پروجیکٹ جون، 2022ء تک تجارتی بنیادوں پر پیداوار شروع کر دے گا۔

تھرانز جی لمٹیڈ

بھورے کونے (Lignite) سے بجلی پیدا کرنے والے، تھر کے بلاک II میں قائم، تھرانز جی لمٹیڈ (TEL) کے 330MW کے پلانٹ کی تعمیر کام و بیش 63 فیصد کام مکمل ہو چکا ہے اور توقع ہے کہ یہ پلانٹ مارچ، 2022ء تک تجارتی بنیادوں پر پیداوار (COD) شروع کر دے گا۔ پرائیویٹ پاور انفراسٹرکچر بورڈ (Private Power Infrastructure Board; PPIB) نے، مورخہ 30 جنوری، 2020ء کو تھرانز جی لمٹیڈ کے ساتھ مالی معاملات کی تکمیل کا اعلان کیا تھا جس کے بعد پاکستان روپے میں قرض کی پہلی قسط مارچ، 2020ء میں موصول ہوئی۔

حب پلانٹ

زیر جائزہ عرصے کے دوران، حب پلانٹ کی پیداوار 105GWh رہی جبکہ گزشتہ برس، اسی عرصے میں 34GWh تھی اور لوڈ فیکٹر 1.3 فیصد رہا (2019-20: 0.4 فیصد)۔

نارووال پلانٹ

نارووال پلانٹ نے، زیر جائزہ عرصے کے دوران، 349GWh بجلی کی پیدا کی جبکہ گزشتہ برس، اسی عرصے کے دوران 298GWh بجلی پیدا کی تھی اور اس کا لوڈ فیکٹر 24.6 فیصد تھا (2019-20: 21.1 فیصد)۔

لاریب پلانٹ

لاریب پلانٹ نے زیر جائزہ عرصے کے دوران، 321GWh بجلی پیدا کی جو گزشتہ برس، اسی عرصے کے دوران 242GWh تھی۔ اس پلانٹ کا لوڈ فیکٹر 58 فیصد رہا (2019-20: 44 فیصد)۔

سی پی ایچ جی سی پلانٹ

زیر جائزہ عرصے کے دوران، سی پی ایچ جی سی پلانٹ نے 5,344GWh بجلی پیدا کی اور اس کا لوڈ فیکٹر 65 فیصد رہا۔ ریکارڈ وقت میں، شیڈول کے مطابق اور اور تخمینہ لگائے گئے اخراجات کے اندر مکمل کیا گیا سی پی ایچ جی سی پلانٹ چین۔ پاکستان اقتصادی کوریڈور (سی-پیک) فریم ورک میں شروع کیے گئے توانائی کے ابتدائی پروجیکٹس میں سے ایک ہے اور چینی و پاکستانی کمپنیوں کے درمیان واحد مشترکہ پروجیکٹ ہے اور اس طرح یہ حقیقی معنوں میں قومی اور حکمت عملی کے اعتبار سے ایک اہم پروجیکٹ ہے۔ سی پی ایچ جی سی پلانٹ نیشنل گرڈ کو، ہر سال، 9 Billion kWh بجلی فراہم کرے گا اور ملک میں کم و بیش 4 ملین گھروں کی ضروریات پوری کرے گا۔

سندھ اینٹروکول مائننگ کمپنی (ایس ای سی ایم سی)

کمپنی کے سندھ اینٹروکول مائننگ کمپنی میں 8 فیصد حصص ہیں اور اس کمپنی نے اپنے فیز 11 پروجیکٹ کے لیے تمام مالی معاملات دسمبر، 2019ء میں مکمل کر لیے تھے۔ فیز 11 سے نکلے والا کوئلہ تھرانز جی لمٹیڈ اور تھل نو واپا اور تھر (پرائیویٹ) لمٹیڈ کو فراہم کیا جائیگا۔

نئی کاروباری مہمات کا شعبہ

توانائی اور انفراسٹرکچر کے دیگر شعبوں میں، کمپنی نے نئی دریا فتوں، مواقع اور امکانات کی تلاش جاری رکھی۔

زیر جائزہ عرصے کے دوران کمپنی کی جانب سے حکومت سندھ کو صنعتی استعمال کے لیے، گندے پانی کی ری سائیکلنگ کے پروجیکٹ کی تجویز پیش کرنے کے بعد مشروط اولین انکار کا حق (Right of First Refusal; ROFR) مل گیا ہے۔ یہ پروجیکٹ، کمپنی اور حکومت سندھ کے درمیان، سرکاری ونجی شراکت کا پروجیکٹ ہے۔

کے الیکٹرک کو بجلی فراہم کرنے کی غرض سے حب پاور پلانٹ کے دو یونٹوں کی کونسلے پر منتقلی کے سلسلے میں کمپنی، پروجیکٹ کے لیے، سرکاری منظوریاں حاصل کرنے کے مرحلے میں ہے۔ کمپنی اپنے تمام حصص یافتگان، ملازمین، کاروباری پارٹنرز اور دیگر تمام فریقین کی شکر گزار ہے کہ انہوں نے کمپنی پر اعتماد کیا اور کمپنی کو ترقی اور خوشحالی کے سفر پر اپنی اعانت فراہم کی۔

حسب الحکم بورڈ

ایم حبیب اللہ خان
چیئرمین

خالد محمود
چیف ایگزیکٹو آفیسر

کراچی، 30 اپریل، 2021ء