



The Hub Power Company Limited

Unaudited Financial Statements
for the 3rd Quarter Ended
March 31, 2022

Contents

The Hub Power Company Limited

Company Information

Directors' Report English

Condensed Interim Unconsolidated Statement of Profit or Loss

Condensed Interim Unconsolidated Statement of Comprehensive Income

Condensed Interim Unconsolidated Statement of Financial Position

Condensed Interim Unconsolidated Statement Cash Flow

Condensed Interim Unconsolidated Statement of Changes in Equity

Notes to the Condensed Interim Unconsolidated Financial Statements

The Hub Power Company Limited and its Subsidiary Company

Condensed Interim Consolidated Statement of Profit or Loss

Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Financial Position

Condensed Interim Consolidated Statement Cash Flow

Condensed Interim Consolidated Statement of Changes in Equity

Notes to the Condensed Interim Consolidated Financial Statements

Directors' Report Urdu

Company Information

Board of Directors

M Habibullah Khan	Chairman
Muhammad Kamran Kamal	Chief Executive
Ejaz Sanjrani	GOB Nominee
Saad Iqbal	
Aly Khan	
Aleeya Khan	
Manzoor Ahmed	
Nadeem Inayat	
Shafiuddin Ghani Khan	

Audit Committee

Manzoor Ahmed	Chairman
Aly Khan	
Saad Iqbal	
Nadeem Inayat	

Company Secretary

Faiza Kapadia Raffay

Leadership Team

Muhammad Kamran Kamal
Saleemullah Memon
Abdul Nasir
Farrukh Rasheed
Amjad Raja
Fayyaz Ahmed Bhatti

Registered & Head Office

9th 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
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Pakistan Kuwait Investment Company (Pvt.) 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
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 Office # 12, Second Floor, Executive Complex,
(Subsidiary) G-8, Markaz, Islamabad

DIRECTORS' REVIEW

REPORT OF DIRECTORS ON THE CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31st, 2022

The Board of Directors is pleased to present a concise overview of the financial and operational performance of the Company for the third quarter ended on March 31st, 2022.

Key Financial Highlights:

- Consolidated net profit during the period under review was Rs. 21,453 million, resulting in Earnings Per Share of Rs. 16.54 compared to net profit of Rs. 24,918 million and EPS of Rs. 19.21 during the same period last year. The decrease in profit is mainly due to lower share of profit from associate, China Power Hub Generation Company Limited (CPHGC), partly offset by impact of depreciation of PKR against USD and higher O&M revenues due to high load factor
- Unconsolidated net profit during the period under review was Rs. 14,447 million, resulting in EPS of Rs. 11.14 compared to net profit of Rs. 14,520 million and EPS of Rs. 11.19 during the same period last year. The decrease in unconsolidated profit is mainly due to lower dividend from subsidiaries and higher finance costs, partly offset by impact of depreciation of PKR against USD, higher income from management services and administrative expenses
- Based on the revised agreements with the Government, Narowal Energy Ltd.'s first installment of 40% of the overdue receivables comprising 1/3rd in cash and 2/3rd in the form of financial instruments of Pakistan Investment Bonds (PIBs) and Government Ijara Sukuks (GIS) were received in January 2022.

Key Operational Highlights:

The key operational highlights for the period under review are as follows:

Technical Parameters	Hub	Narowal	Laraib	CPHGC
Net Electrical Output (GWh)	863	634	281	4,844
Load Factor (%)	10.94	45.07	51	57.67

On March 22nd, 2022, Laraib Energy Limited successfully completed its 9th agreement year. The plant's availability remained 98% against the PPA target of 93% and generated 420 GWh of energy during the agreement year.

Growth Projects:

The lignite based 330MW Thar Energy Limited (TEL) Project in Thar Block II has completed 93% of Project Progress and targets to achieve Commercial Operations Date (COD) by July 2022. Recently, the Project has achieved 15 million safe manhours milestone.

The lignite based 330MW ThalNova Power Thar (Pvt.) Ltd. Project in Thar Block II has completed 75% of Project Progress and targets to achieve COD by second half of CY 2022. The Project has achieved successful hoisting of steam drum in October 2021.

China Power Hub Operating Company (CPHO), the joint venture between HPHL and CPIME, has successfully taken over O&M services of 2x660MW power plant of China Power Hub Generation Company

(CPHGC) effective from 1st February 2022. The term of the O&M Contract will be six years from the takeover date. CPHO will be developing local resources for O&M services of super critical coal fired power plants in Pakistan which will bring great value for CPHGC in particular and power industry in general.

Prime International Oil and Gas Company Limited's (50% of HPHL and 50% of Employee Buyout Group partnership) acquisition of ENI's Pakistan business is well underway. Regulatory approvals from Director General Petroleum Concessions (DGPC) are progressing well and the transaction is expected to be completed in the second quarter of CY 2022.

The Company's revised Unsolicited Proposal (USP) for a wastewater treatment project in Public-Private Partnership with Karachi Water and Sewerage Board, Government of Sindh for the SITE Industrial Area has been accepted by the Government of Sindh (GoS) in Public Private Partnership (PPP) mode. KWSB has prequalified the Company and has awarded the first right of refusal to match the best evaluated bid in respect of the wastewater recycling project. GoS's Public Private Partnership Unit has published the Request for Qualifications as the first step in the bidding process. The successful bidder is expected to be announced by November 2022.

Striving to help resolve Karachi's water problems, the Company is also evaluating Sea Water Reverse Osmosis (SWRO) solutions to serve residential and commercial customers.

The Company remains grateful to its shareholders, employees, business partners and all other stakeholders for their confidence and support in our journey towards growth and prosperity.

By Order of the Board



Kamran Kamal
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, 2022

	Note	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Turnover	5	10,365,317	7,140,387	41,835,460	22,762,323
Operating costs	6	(4,331,388)	(1,943,411)	(24,519,933)	(7,919,365)
GROSS PROFIT		6,033,929	5,196,976	17,315,527	14,842,958
General and administration expenses		(114,615)	(185,444)	(398,460)	(627,969)
Other income	7	1,347,365	895,572	2,340,883	5,214,609
Other operating expenses	8	(66,856)	(57,821)	(114,335)	(271,494)
PROFIT FROM OPERATIONS		7,199,823	5,849,283	19,143,615	19,158,104
Finance costs	9	(1,724,468)	(1,523,658)	(4,399,913)	(4,439,599)
PROFIT BEFORE TAXATION		5,475,355	4,325,625	14,743,702	14,718,505
Taxation		(94,682)	(114,970)	(296,873)	(198,400)
PROFIT FOR THE PERIOD		5,380,673	4,210,655	14,446,829	14,520,105
Basic and diluted earnings per share (Rupees)		<u>4.15</u>	<u>3.25</u>	<u>11.14</u>	<u>11.19</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Profit for the period	5,380,673	4,210,655	14,446,829	14,520,105
Other comprehensive income / (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	59,239	107,748	217,172	(122,995)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>5,439,912</u>	<u>4,318,403</u>	<u>14,664,001</u>	<u>14,397,110</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	8,783,091	10,256,644
Intangibles		1,178	5,942
Long term investments	11	59,524,547	57,295,307
Long term deposits and prepayments		8,509	22,067
		68,317,325	67,579,960
CURRENT ASSETS			
Stores, spares and consumables		1,109,847	1,377,785
Stock-in-trade		4,603,759	2,805,876
Trade debts	12	61,221,857	72,205,856
Loans and advances		635,891	686,101
Prepayments and other receivables	13	14,229,491	15,050,966
Cash and bank balances		385,887	300,744
		82,186,732	92,427,328
TOTAL ASSETS		150,504,057	160,007,288
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		36,099,615	36,352,890
		54,671,159	54,924,434
NON-CURRENT LIABILITIES			
Long term loans		21,562,693	30,420,239
Long term lease liabilities		192,107	263,814
		21,754,800	30,684,053
CURRENT LIABILITIES			
Trade and other payables	14	31,267,170	41,816,916
Unclaimed dividend		224,365	227,729
Unpaid dividend		116,080	46,084
Interest / mark-up accrued		621,671	631,727
Short term borrowings		32,043,457	27,069,321
Current maturity of long term loans		9,793,661	4,577,235
Current maturity of long term lease liabilities		11,694	29,789
		74,078,098	74,398,801
TOTAL EQUITY AND LIABILITIES		150,504,057	160,007,288
COMMITMENTS AND CONTINGENCIES			

15

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

	Note	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		14,743,702	14,718,505
Adjustments for:			
Depreciation		1,422,169	1,433,865
Amortisation		5,091	16,868
Dividend income from subsidiaries		(1,571,684)	(4,660,180)
Gain on disposal of fixed assets		(53,678)	(14,108)
Provision against slow moving stores, spares and consumables		246,440	239,394
Staff gratuity		21,036	18,107
Interest income		(35)	(6,972)
Interest / mark-up expense		3,997,129	4,059,829
Mark-up on lease liabilities		23,030	29,307
Amortisation of transaction costs		63,275	57,435
Operating profit before working capital changes		<u>18,896,475</u>	<u>15,892,050</u>
Working capital changes		(1,200,390)	(10,394,196)
Cash generated from operations		<u>17,696,085</u>	<u>5,497,854</u>
Interest income received		194	7,516
Interest / mark-up paid		(4,007,185)	(4,346,053)
Staff gratuity paid		(3,000)	(14,500)
Taxes paid		(263,137)	(89,416)
Net cash generated from operating activities		<u>13,422,957</u>	<u>1,055,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries		2,249,696	5,073,941
Fixed capital expenditure		(15,716)	(32,693)
Proceeds from disposal of fixed assets		41,167	15,068
Long term investments made		(2,012,068)	(753,413)
Long term deposits and prepayments		13,558	100
Net cash generated from investing activities		<u>276,637</u>	<u>4,303,003</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(14,850,644)	(5,182,979)
Proceeds from long term loans		-	1,067,414
Repayment of long term loans		(3,704,395)	(635,953)
Repayment of long term lease liabilities		(33,548)	(28,962)
Net cash used in from financing activities		<u>(18,588,587)</u>	<u>(4,780,480)</u>
Net increase in cash and cash equivalents		<u>(4,888,993)</u>	<u>577,924</u>
Cash and cash equivalents at the beginning of the period		<u>(26,768,577)</u>	<u>(29,402,692)</u>
Cash and cash equivalents at the end of the period	17	<u>(31,657,570)</u>	<u>(28,824,768)</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (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	36,352,890	24,108,136
Profit for the period	14,446,829	14,520,105
Other comprehensive income / (loss) for the period	217,172	(122,995)
Total comprehensive income for the period	14,664,001	14,397,110
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2020-21 @ Rs. 5.00 (2019-20 @ Rs. Nil) per share	(6,485,772)	-
First interim dividend for the fiscal year 2021-22 @ Rs. 6.50 (2020-21 @ Rs. 4.00) per share	(8,431,504)	(5,188,618)
Second interim dividend for the fiscal year 2021-22 @ Rs. Nil (2020-21 @ Rs. 3.00) per share	-	(3,891,463)
	(14,917,276)	(9,080,081)
Balance at the end of the period	<u>36,099,615</u>	<u>29,425,165</u>
TOTAL EQUITY	<u>54,671,159</u>	<u>47,996,709</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

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 and associates:

Subsidiaries

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

Associates

- China Power Hub Generation Company (Private) Limited (CPHGC) - Holding of 47.5%; and
- ThalNova Power Thar (Private) Limited (TNPTL) - Holding of 38.3%.

Joint Venture

- Prime International Oil & Gas Company Limited - Holding 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, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS-34, the provisions of and directives issued under the Companies Act, 2017 have been followed. 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, 2021.

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 annual audited unconsolidated financial statements for the year ended June 30, 2021.

On September 13, 2021, SECP further extended the exemption of application of Expected Credit Loss model under IFRS – 9 "Financial Instruments" in respect of financial assets due from Government of Pakistan up to June 30, 2022. Accordingly, the Company has applied the requirements of IAS – 39 in these condensed interim unconsolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

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 audited unconsolidated financial statements for the year ended June 30, 2021. 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, 2021.

Note	3 months ended	3 months ended	9 months ended	9 months ended
	Mar 2022 (Rs. '000s)	Mar 2021 (Rs. '000s)	Mar 2022 (Rs. '000s)	Mar 2021 (Rs. '000s)
5. TURNOVER				
Capacity Purchase Price (CPP)	6,555,988	5,863,144	18,921,687	17,037,715
Energy Purchase Price (EPP)	2,924,415	-	21,201,198	2,079,764
Late Payment Interest (LPI)	1,090,590	1,277,243	3,497,179	3,710,662
Startup Charges (SC)	75,132	-	330,177	30,072
Part Load Adjustment Charges (PLAC)	136,231	-	945,890	154,296
	<u>10,782,356</u>	<u>7,140,387</u>	<u>44,896,131</u>	<u>23,012,509</u>
Less: Sales tax on EPP	(417,039)	-	(3,060,671)	(250,186)
	<u>10,365,317</u>	<u>7,140,387</u>	<u>41,835,460</u>	<u>22,762,323</u>

6. OPERATING COSTS

Fuel cost		2,631,603	14,306	19,380,973	2,086,399
Late payment interest to fuel supplier		426,386	613,849	1,423,086	1,845,523
Stores and spares		117,684	118,479	364,779	366,864
Operations and maintenance	6.1	32,000	72,250	95,822	216,750
Salaries, benefits and other allowances	6.2	101,439	181,150	375,208	555,574
Insurance		234,827	230,199	705,002	691,885
Depreciation		460,033	463,903	1,387,691	1,388,782
Amortisation		114	2,915	4,187	15,901
Repairs, maintenance and other costs		327,302	246,360	783,185	751,687
		<u>4,331,388</u>	<u>1,943,411</u>	<u>24,519,933</u>	<u>7,919,365</u>

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

6.2 This includes salaries, wages and benefits of employees seconded from HPSL to the Company.

Note	3 months ended	3 months ended	9 months ended	9 months ended
	Mar 2022 (Rs. '000s)	Mar 2021 (Rs. '000s)	Mar 2022 (Rs. '000s)	Mar 2021 (Rs. '000s)
7. OTHER INCOME				
Financial assets				
Interest income	14	1	35	6,972
Non-financial assets				
Gain on disposal of fixed assets - net	10,446	118	53,678	14,108
Dividend income from LEL	1,331,684	660,627	1,331,684	660,627
Dividend income from HPSL	40,000	-	240,000	100,000
Dividend income from HPHL	-	-	-	3,899,553
Income from management services	(34,602)	230,594	714,990	528,778
Income from dredging services	-	4,232	-	4,571
Exchange gain - net	(177)	-	496	-
	<u>1,347,351</u>	<u>895,571</u>	<u>2,340,848</u>	<u>5,207,637</u>
	<u>1,347,365</u>	<u>895,572</u>	<u>2,340,883</u>	<u>5,214,609</u>



	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
7.1 Income from management services				
Services income	104,416	441,112	2,654,743	1,033,730
Cost of services	(139,018)	(210,518)	(1,939,753)	(504,952)
	<u>(34,602)</u>	<u>230,594</u>	<u>714,990</u>	<u>528,778</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.

	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
8. OTHER OPERATING EXPENSES				
Exchange loss - net	-	13,049	-	11,818
Workers' profit participation fund	66,856	44,772	114,335	259,676
	<u>66,856</u>	<u>57,821</u>	<u>114,335</u>	<u>271,494</u>

8.1 Workers' profit participation fund

Provision for Workers' profit participation fund	277,112	218,520	742,903	748,909
Workers' profit participation fund recoverable from CPPA(G)	(210,256)	(173,748)	(628,568)	(489,233)
	<u>66,856</u>	<u>44,772</u>	<u>114,335</u>	<u>259,676</u>

9. FINANCE COSTS

Interest / mark-up on long term loans	885,039	813,407	2,387,929	2,274,481
Mark-up on long term lease liabilities	6,359	9,444	23,030	29,307
Mark-up on short term borrowings	706,073	584,127	1,609,200	1,785,348
Amortisation of transaction costs	13,310	19,496	63,275	57,435
Other finance costs	113,687	97,184	316,479	293,028
	<u>1,724,468</u>	<u>1,523,658</u>	<u>4,399,913</u>	<u>4,439,599</u>

	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		8,783,091	10,255,968
Capital work-in-progress (CWIP)		-	676
	10.1	<u>8,783,091</u>	<u>10,256,644</u>

10.1 Additions to property, plant and equipment during the period were Rs. 16 million (Mar 2021: Rs. 33 million) and disposals therefrom at net book value were Rs. 67 million (Mar 2021: Rs. 1 million).

	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (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)	11.2	3,921,883	3,921,883
Thar Energy Limited (TEL)	11.3	8,980,965	7,165,917
		<u>56,572,671</u>	<u>54,757,623</u>
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,951,876	2,537,684
		<u>59,524,547</u>	<u>57,295,307</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 HPHL are to invest in new business opportunities.

11.1.1 China Power Hub Generation Company (Private) Limited (CPHGC)

On July 14, 2021, the CPHGC's power plants tripped. Based on the initial assessments of CPHGC, this happened due to unusual weather conditions, which caused damages to the CPHGC's equipment including transformer of unit one of the power plant, which was destroyed beyond repair and its recoverable amount has been determined to be Nil. Accordingly, CPHGC has recorded an impairment loss equal to its net book value of Rs. 1,989.69 million. CPHGC is in process of ascertaining the amount of insurance claim. The new transformer was successfully installed and synchronized with the National Grid on January 6, 2022.

11.1.2 ThalNova Power Thar (Private) Limited (TNPTL)

The Private Power and Infrastructure Board (PPIB) declared the achievement of the TNPTL's Financial Close (FC) on September 30, 2020.

Under the Power Purchase Agreement (PPA), TNPTL's Required Commercial Operations Date (RCOD) was March 31, 2021. Any delay in achievement of RCOD, can result in Liquidated Damages (LDs) amounting to USD 2.68 million for each month of delay. TNPTL requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company (SECMC). TNPTL expects to achieve COD in the year 2022.

CPPA-G granted extension in the RCOD of TNPTL till June 30, 2022, subject to payment of undisputed High Voltage Direct Current (HVDC) charges, if charged to CPPA-G from the COD of HVDC line. Since HVDC charges have not yet been levied to CPPA-G based on which these will be charged to TNPTL, a reliable estimate of such undisputed charges cannot be ascertained by TNPTL.

11.2 Narowal Energy Limited (NEL)

During the period, the alternators of two engines at Narowal Plant have developed a fault due to which these engines having 38 MW capacity are currently not available for electricity generation. These engines have been placed on forced outage and necessary repair works are in progress. These incidents are covered under NEL's insurance policies.

11.3 Thar Energy Limited (TEL)

The Private Power and Infrastructure Board (PPIB) declared the achievement of TEL's Financial Close (FC) on January 30, 2020.



Under the Power Purchase Agreement (PPA), TEL's Required Commercial Operation Date (RCOD) was March 31, 2021. Any delay in achievement of RCOD, can result in Liquidated Damages (LDs) amounting to USD 2.68 million for each month of delay. TEL requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company (SECMC). TEL expects to achieve COD in the year 2022.

CPPA-G granted extension in the RCOD of TEL till November 23, 2021, subject to payment of undisputed High Voltage Direct Current (HVDC) charges, if charged to CPPA-G from the COD of HVDC line. Since HVDC charges have not yet been levied to CPPA-G based on which these will be charged to TEL, a reliable estimate of such undisputed charges cannot be ascertained by TEL.

	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
12. TRADE DEBTS			
Considered good - secured			
Capacity Purchase Price (CPP)		17,790,574	42,246,908
Energy Purchase Price (EPP)		18,150,169	3,605,522
Late Payment Interest (LPI)	12.1	23,999,257	26,071,659
Startup Charges (SC)		336,401	50,110
Part Load Adjustment Charges (PLAC)		945,456	231,657
	12.2	<u>61,221,857</u>	<u>72,205,856</u>

12.1 This includes Rs. 1,946 million (June 2021: Rs. 4,559 million) related to LPI which is not yet billed by the Company.

12.2 This includes an amount of Rs. 56,304 million (June 2021: Rs. 60,278 million) receivable from CPPA(G) which is overdue but not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (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 LPI invoices.

	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	356,107	41,755
Other receivables		
Interest accrued	-	159
Income tax - refundable	318,438	352,174
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	8,022,758	7,373,750
Staff gratuity	4,327	19,534
Receivable from LEL	330	726,849
Receivable from HPHL	72,750	53,792
Receivable from HPSL	2,276	-
Receivable from NEL	-	2,525
Receivable from TEL	31,400	48,697
Receivable from TEL against services agreement	545,510	3,510,502
Receivable from TNPTL	8,676	23,915
Receivable from TNPTL against services agreement	1,400,194	63,386
Workers' profit participation fund recoverable from CPPA(G)	3,089,588	2,461,020
Miscellaneous	4,668	439
	<u>13,873,384</u>	<u>15,009,211</u>
	<u>14,229,491</u>	<u>15,050,966</u>



14. TRADE AND OTHER PAYABLES

This includes Rs. 21,876 million (June 2021: Rs. 34,496 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 21,247 million (June 2021: Rs. 26,682 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.

15. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of commitments and contingencies as disclosed in the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2021, except for commitments in respect of capital and revenue expenditures amounted to Rs. 479 million (June 2021: Rs. 153 million).

16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of subsidiaries, associates, joint venture, 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:

16.1 Details of transactions	Note	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Subsidiaries			
Laraib Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		104,432	43,204
Receipts against reimbursement of expenses from subsidiary		149,213	27,840
Dividend received		2,009,696	1,074,388
Hub Power Holdings Limited			
Reimbursable expenses incurred on behalf of subsidiary		490,323	28,860
Receipts against reimbursement of expenses from subsidiary		475,992	102,288
Interest income on loan to subsidiary	16.1.1	4,627	-
Dividend received		-	3,899,553
Hub Power Services Limited			
Reimbursable expenses incurred on behalf of subsidiary		33,801	12,218
Receipts against reimbursement of expenses from subsidiary		5,374	15,708
Reimbursable expenses incurred by subsidiary		15,756	25,952

	Note	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Payments against reimbursement of expenses to subsidiary		6,044	47,424
Amount paid for O&M services rendered		108,145	247,837
Dividend received		240,000	100,000
Interest expense on loan from subsidiary	16.1.2	17,366	7,012
Payments against interest on loan from subsidiary		6,013	9,084
Narowal Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		33,416	31,480
Receipts against reimbursement of expenses from subsidiary		35,487	33,967
Interest income on loan to subsidiary	16.2.1	8,986	53,278
Interest expense on loan from subsidiary	16.2.2	100,580	-
Receipts against interest on loan to subsidiary		1,831	76,716
Thar Energy Limited			
Investment in subsidiary		1,815,047	753,414
Reimbursable expenses incurred on behalf of subsidiary		45,012	14,799
Receipts against reimbursement of expenses from subsidiary		62,309	-
Services rendered to subsidiary		629,556	882,140
Receipts against services rendered to subsidiary		4,627,165	634,200
Associate			
ThalNova Power Thar (Private) Limited			
Services rendered to associate		2,025,187	151,590
Reimbursable expenses incurred on behalf of associate		214,601	139,854
Receipts against services rendered to associate		475,256	-
Receipts against reimbursement of expenses from associate		229,840	-
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		79,064	116,563
Retirement benefits		3,116	3,671
	16.1.3 & 16.1.4	82,180	120,234
Directors' fee	16.1.5	5,750	5,400
Contribution to staff retirement benefit plan of the Company		11,845	21,437
Contribution to staff retirement benefit plan of HPSL		14,902	21,563
Contribution to staff retirement benefit plan of TEL		924	807
Contribution to staff retirement benefit plan of LEL		443	32



- 16.1.1 The Company has provided HPHL 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 0.70% per annum above one month KIBOR. The maximum aggregate amount outstanding against the facility at any time during the period was Rs. 547 million (June 2021: Rs. Nil).
- 16.1.2 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 against the facility at any time during the period was Rs. 411 million (June 2021: Rs. 220 million).
- 16.1.3 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.
- 16.1.4 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 17 million (Mar 2021: Rs. 15 million).
- 16.1.5 This represents fee paid to Board of Directors for attending meetings.
- 16.1.6 The transactions with related parties are made under mutually agreed terms and conditions.

16.2 Details of outstanding balances	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
Subsidiaries			
Hub Power Services Limited			
Payable to subsidiary		-	46,839
Loan from subsidiary	16.1.2	265,631	220,456
Hub Power Holdings Limited			
Loan to subsidiary	16.1.1	547,479	-
Narowal Energy Limited			
Payable to subsidiary		91,138	-
Loan to subsidiary	16.2.1	-	670,145
Loan from subsidiary	16.2.2	4,529,315	-
Thar Energy Limited			
Unearned income		607,464	-
Associate			
ThalNova Power Thar (Private) Limited			
Unearned income		94,036	379,562
Other related parties			
Payable to Hub Power Services Limited - Pension Fund		3,006	5,467

- 16.2.1 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 against the facility at any time during the period was Rs. 2,488 million (June 2021: Rs. 2,208 million).
- 16.2.2 The company entered into an agreement of unsecured short term loan with NEL to borrow an amount of up to Rs. 5,000 million to meet its working capital requirements. This facility carries mark-up at the rate of 0.4% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the period was Rs. 4,886 million.



17. CASH AND CASH EQUIVALENTS	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Cash and bank balances	385,887	280,033
Short term borrowings	<u>(32,043,457)</u>	<u>(29,104,801)</u>
	<u>(31,657,570)</u>	<u>(28,824,768)</u>

18. 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 audited 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
March 2022	----- (Rs. '000s) -----			
Assets				
Investment in SECMC				
- At fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>2,951,876</u>	<u>2,951,876</u>
June 2021				
Assets				
Investment in SECMC				
- At fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>2,537,684</u>	<u>2,537,684</u>

	3 months ended Mar 2022	3 months ended Mar 2021	9 months ended Mar 2022	9 months ended Mar 2021
19. PLANT CAPACITY AND PRODUCTION				
<u>HUB PLANT</u>				
Theoretical Maximum Output	2,592 GWh	2,592 GWh	7,891 GWh	7891 GWh
Total Output	97 GWh	0 GWh	863 GWh	105 GWh
Load Factor	3.74%	0%	10.94%	1.33%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,258 GWh (Mar 2021: 7,194 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

20. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on April 28, 2022 in accordance with the resolution of the Board of Directors.

21. GENERAL

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



M. Habibullah Khan
Chairman



Kamran Kamal
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, 2022

	Note	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Turnover	5	18,784,944	12,023,417	65,052,186	38,814,608
Operating costs	6	(10,137,031)	(3,882,794)	(40,596,581)	(14,796,126)
GROSS PROFIT		<u>8,647,913</u>	<u>8,140,623</u>	<u>24,455,605</u>	<u>24,018,482</u>
General and administration expenses		(311,308)	(331,942)	(768,423)	(1,084,168)
Other income		226,602	77,286	707,845	235,492
Other operating expenses	7	(97,872)	(61,955)	(145,351)	(298,672)
PROFIT FROM OPERATIONS		<u>8,465,335</u>	<u>7,824,012</u>	<u>24,249,676</u>	<u>22,871,134</u>
Finance costs	8	(1,999,638)	(1,928,011)	(5,396,886)	(5,658,687)
Share of profit from associates and joint venture - net	9	4,165,329	4,077,854	4,996,070	11,682,692
PROFIT BEFORE TAXATION		<u>10,631,026</u>	<u>9,973,855</u>	<u>23,848,860</u>	<u>28,895,139</u>
Taxation		(1,167,713)	(1,155,816)	(1,669,578)	(3,188,677)
PROFIT FOR THE PERIOD		<u><u>9,463,313</u></u>	<u><u>8,818,039</u></u>	<u><u>22,179,282</u></u>	<u><u>25,706,462</u></u>
Attributable to:					
- Owners of the holding company		9,241,096	8,575,911	21,453,212	24,917,665
- Non-controlling interest		222,217	242,128	726,070	788,797
		<u>9,463,313</u>	<u>8,818,039</u>	<u>22,179,282</u>	<u>25,706,462</u>
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		<u>7.12</u>	<u>6.61</u>	<u>16.54</u>	<u>19.21</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
Profit for the period	9,463,313	8,818,039	22,179,282	25,706,462
Other comprehensive income / (loss) for the period				
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>				
Loss on remeasurement of post employment benefits obligation of associate - net of tax	-	-	(808)	-
Gain / (loss) on revaluation of equity investment at fair value through other comprehensive income	59,239	107,748	217,172	(122,995)
	59,239	107,748	216,364	(122,995)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,522,552	8,925,787	22,395,646	25,583,467
Attributable to:				
- Owners of the holding company	9,300,335	8,683,659	21,669,576	24,794,670
- Non-controlling interest	222,217	242,128	726,070	788,797
	9,522,552	8,925,787	22,395,646	25,583,467

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	100,240,849	79,003,531
Intangibles		1,417,205	1,420,651
Long term investments	11	75,874,898	70,009,153
Long term deposits and prepayments		16,794	30,102
		177,549,746	150,463,437
CURRENT ASSETS			
Stores, spares and consumables		2,044,701	2,528,895
Stock-in-trade		5,669,473	3,997,806
Trade debts	12	90,771,560	101,987,067
Loans and advances		181,856	76,245
Prepayments and other receivables	13	16,230,461	12,845,658
Cash and bank balances		7,603,713	6,348,860
		122,501,764	127,784,531
TOTAL ASSETS		300,051,510	278,247,968
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
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		89,006,536	82,255,366
Attributable to owners of the holding company		107,578,080	100,826,910
NON-CONTROLLING INTEREST		10,340,005	8,839,259
		117,918,085	109,666,169
NON-CURRENT LIABILITIES			
Long term loans		85,892,811	46,584,599
Long term lease liabilities		1,321,113	1,732,213
Deferred taxation		8,311,963	7,053,046
		95,525,887	55,369,858
CURRENT LIABILITIES			
Trade and other payables	14	36,263,941	69,516,102
Unclaimed dividend		224,365	227,729
Unpaid dividend		116,080	272,680
Interest / mark-up accrued		1,520,923	1,219,903
Short term borrowings		34,862,090	33,900,797
Current maturity of long term loans		12,922,810	7,497,118
Current maturity of long term lease liabilities		608,199	541,607
Taxation - net		89,130	36,005
		86,607,538	113,211,941
TOTAL EQUITY AND LIABILITIES		300,051,510	278,247,968

COMMITMENTS AND CONTINGENCIES

15

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2022

	Note	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		23,848,860	28,895,139
Adjustments for:			
Depreciation		3,388,245	2,850,277
Amortisation		6,137	17,696
Gain on disposal of fixed assets		(68,005)	(27,359)
Provision against slow moving stores, spares and consumables		265,578	256,343
Share of profit from associates - net		(4,996,070)	(11,682,692)
Staff gratuity		30,719	29,936
Interest income		(207,542)	(171,590)
Mark-up on lease liabilities		94,454	116,486
Interest / mark-up expense		4,902,676	5,113,031
Unrealized profit on management services to associate - TNPTL		194,884	-
Amortisation of transaction costs		104,079	84,396
Operating profit before working capital changes		<u>27,564,015</u>	<u>25,481,663</u>
Working capital changes		(229,269)	(13,602,343)
Cash generated from operations		<u>27,334,746</u>	<u>11,879,320</u>
Interest income received		209,224	161,643
Interest / mark-up paid		(4,703,562)	(5,875,351)
Staff gratuity paid		(54,520)	(16,060)
Taxes paid		(320,395)	(156,480)
Net cash generated from operating activities		<u>22,465,493</u>	<u>5,993,072</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(50,343,829)	(1,889,047)
Proceeds from disposal of fixed assets		57,723	28,620
Long term investments made		(684,257)	(280,628)
Long term deposits and prepayments		13,308	4,528
Net cash used in investing activities		<u>(50,957,055)</u>	<u>(2,136,527)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(14,850,644)	(5,182,979)
Dividends paid to non controlling interest		(671,664)	(359,068)
Proceeds from long term loans - net		49,919,705	6,066,518
Repayment of long term loans		(6,273,480)	(3,809,381)
Proceeds against issuance of shares to non controlling interest (TEL)		1,220,490	499,703
Repayment of long term lease liabilities		(557,401)	(545,456)
Share issuance cost		(1,884)	(642)
Net cash generated from / (used in) financing activities		<u>28,785,122</u>	<u>(3,331,305)</u>
Net increase in cash and cash equivalents		293,560	525,240
Cash and cash equivalents at the beginning of the period		(27,551,937)	(32,324,246)
Cash and cash equivalents at the end of the period	18	<u>(27,258,377)</u>	<u>(31,799,006)</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (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	82,255,366	57,715,017
Profit for the period	21,453,212	24,917,665
Other comprehensive income / (loss) for the period	216,364	(122,995)
Total comprehensive income for the period	21,669,576	24,794,670
Share issue cost	(1,130)	(745)
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2020-21 @ Rs. 5.00 (2019-20 @ Rs. Nil) per share	(6,485,772)	-
First interim dividend for the fiscal year 2021-22 @ Rs. 6.50 (2020-21 @ Rs. 4.00) per share	(8,431,504)	(5,188,618)
Second interim dividend for the fiscal year 2021-22 @ Rs. Nil (2020-21 @ Rs. 3.00) per share	-	(3,891,463)
	(14,917,276)	(9,080,081)
Balance at the end of the period	<u>89,006,536</u>	<u>73,428,861</u>
Attributable to owners of the holding company	<u>107,578,080</u>	<u>92,000,405</u>
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	8,839,259	7,644,781
Total comprehensive income for the period	726,070	788,797
Dividend	(445,060)	(220,786)
Investment made	1,220,490	499,703
Share issue cost	(754)	(257)
Balance at the end of the period	<u>10,340,005</u>	<u>8,712,238</u>
TOTAL EQUITY	<u>117,918,085</u>	<u>100,712,643</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
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, 2022

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:

Subsidiaries:

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

Associates:

- China Power Hub Generation Company (Private) Limited (CPHGC) - Holding of 47.5%;
- ThalNova Power Thar (Private) Limited (TNPTL) - Holding of 38.3%; and

Joint Venture:

- Prime International Oil & Gas Company Limited (Prime) - Holding of 50%.

Thar Energy Limited (TEL)

The Private Power and Infrastructure Board (PPIB) declared the achievement of TEL's Financial Close (FC) on January 30, 2020.

Under the Power Purchase Agreement (PPA), TEL's Required Commercial Operation Date (RCOD) was March 31, 2021. Any delay in achievement of RCOD can result in Liquidated Damages (LDs) amounting to USD 2.68 million for each month of delay. Currently, TEL expects to achieve RCOD by first half of 2022. Considering the delay in RCOD, TEL has requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the delayed COD of High Voltage Direct Current (HVDC) Matiari to Lahore Transmission Line project as mentioned in the PPA and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company (SECMC).

CPPA(G) granted extension in the RCOD of TEL till November 23, 2021, subject to payment of undisputed High Voltage Direct Current (HVDC) charges, if charged to CPPA(G) from the COD of HVDC line. Since HVDC charges have not yet been levied to CPPA(G) based on which these will be charged to TEL, a reliable estimate of such undisputed charges cannot be ascertained by TEL. Accordingly, no provision against the same has been recognised in these condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the third quarter ended March 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2021.

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, 2021.

On September 13, 2021 SECP further extended the exemption of application of Expected Credit Loss model under IFRS – 9 in respect of financial assets due from Government of Pakistan up to June 30, 2022. Accordingly, the holding company has applied the requirements of IAS – 39 in these condensed interim consolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

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, 2021. 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, 2021.

		3 months ended	3 months ended	9 months ended	9 months ended
	Note	Mar 2022	Mar 2021	Mar 2022	Mar 2021
		(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)
5. TURNOVER					
Capacity Purchase Price (CPP)		9,196,080	8,962,633	26,618,727	26,559,927
Energy Purchase Price (EPP)		9,028,746	1,499,041	37,224,096	7,811,414
Late Payment Interest (LPI)		1,652,761	1,779,553	5,307,337	5,341,889
Startup Charges (SC)		75,132	-	330,177	30,072
Part Load Adjustment Charges (PLAC)		136,231	-	945,890	154,296
		<u>20,088,950</u>	<u>12,241,227</u>	<u>70,426,227</u>	<u>39,897,598</u>
Less: Sales tax on EPP		(1,304,006)	(217,810)	(5,374,041)	(1,082,990)
		<u>18,784,944</u>	<u>12,023,417</u>	<u>65,052,186</u>	<u>38,814,608</u>
6. OPERATING COSTS					
Fuel cost		7,389,836	1,094,306	31,871,072	6,291,867
Late Payment Interest to fuel suppliers		426,386	613,849	1,423,086	1,845,523
Water use charges		30,106	39,676	115,873	132,517
Salaries, benefits and other allowances		238,339	296,082	684,660	924,699
Stores and spares		148,550	190,195	821,261	647,139
Insurance		359,689	349,163	1,085,678	1,051,014
Depreciation		1,046,830	908,553	3,322,047	2,784,569
Amortisation		114	3,168	4,692	16,659
Repairs, maintenance and other costs		497,181	387,802	1,268,212	1,102,139
		<u>10,137,031</u>	<u>3,882,794</u>	<u>40,596,581</u>	<u>14,796,126</u>
7. OTHER OPERATING EXPENSES					
Exchange loss - net		31,016	17,183	31,016	38,996
Workers' profit participation fund	7.1	66,856	44,772	114,335	259,676
		<u>97,872</u>	<u>61,955</u>	<u>145,351</u>	<u>298,672</u>



	3 months ended Mar 2022 (Rs. '000s)	3 months ended Mar 2021 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
7.1 Workers' profit participation fund				
Provision for workers' profit participation fund	338,249	293,212	895,514	970,378
Workers' profit participation fund recoverable from CPPA(G)	(271,393)	(248,440)	(781,179)	(710,702)
	<u>66,856</u>	<u>44,772</u>	<u>114,335</u>	<u>259,676</u>
8. FINANCE COSTS				
Interest / mark-up on long term loans	1,080,299	1,019,098	3,027,907	2,809,620
Mark-up on short term borrowings	757,139	732,235	1,893,978	2,303,411
Mark-up on lease liabilities	28,955	34,685	94,454	116,486
Amortisation of transaction costs	19,340	27,495	84,457	84,396
Other finance costs	113,905	114,498	296,090	344,774
	<u>1,999,638</u>	<u>1,928,011</u>	<u>5,396,886</u>	<u>5,658,687</u>
9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET				
Associates				
China Power Hub Generation Company (Private) Limited				
- representing 47.5% (Mar 2021: 47.5%) equity shares	4,336,916	4,231,434	5,201,026	12,096,724
- obligation in respect of profit on shares related to GoB	(136,955)	(133,622)	(164,243)	(382,000)
	<u>4,199,961</u>	<u>4,097,812</u>	<u>5,036,783</u>	<u>11,714,724</u>
ThalNova Power Thar (Private) Limited	(34,980)	(4,344)	(42,098)	(16,418)
	<u>4,164,981</u>	<u>4,093,468</u>	<u>4,994,685</u>	<u>11,698,306</u>
Joint Venture				
- Prime International Oil & Gas Company Limited	348	(15,614)	1,385	(15,614)
	<u>4,165,329</u>	<u>4,077,854</u>	<u>4,996,070</u>	<u>11,682,692</u>
10. PROPERTY, PLANT AND EQUIPMENT				
Operating property, plant and equipment		10.1	38,303,597	40,723,884
Capital work-in-progress				
Holding company			-	676
NEL			-	2,405
LEL			-	7,744
TEL			61,937,252	38,268,822
			<u>61,937,252</u>	<u>38,279,647</u>
			<u>100,240,849</u>	<u>79,003,531</u>

10.1 During the period, the alternators of two engines at Narowal Plant have developed a fault due to which these engines having 38 MW capacity are currently not available for electricity generation. These engines have been placed on forced outage and necessary repair works are in progress. These incidents are covered under NEL's insurance policies.



	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
11. LONG TERM INVESTMENTS			
Investment in associates - unquoted			
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1	67,457,227	62,257,314
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	4,989,729	4,946,648
		<u>72,446,956</u>	<u>67,203,962</u>
Investment in joint venture (under equity method) - unquoted			
- Prime International Oil and Gas Company Limited (Prime)	11.3	467,625	267,507
Advance for future issue of shares			
- China Power Hub Operating Company (Private) Limited (CPHO)	11.4	8,441	-
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,951,876	2,537,684
		<u>75,874,898</u>	<u>70,009,153</u>
11.1 China Power Hub Generation Company (Private) Limited (CPHGC)			
Opening investment		62,257,314	46,221,106
Share of profit from associate		5,201,026	16,036,145
Share of other comprehensive (loss) / income from associate		(1,113)	63
		<u>67,457,227</u>	<u>62,257,314</u>

On July 14, 2021, the CPHGC's power plants tripped. Based on the initial assessments of CPHGC, this happened due to unusual weather conditions, which caused damages to the CPHGC's equipment including transformer of unit one of the power plant, which was destroyed beyond repair and its recoverable amount has been determined to be Rs. Nil. Accordingly, CPHGC has recorded an impairment loss equal to its net book value of Rs. 1,989.69 million. CPHGC is in process of ascertaining the amount of insurance claim. Subsequent to the period end, the new transformer was successfully installed and synchronized with the National Grid on January 6, 2022.

	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
11.2 ThalNova Power Thar (Private) Limited (TNPTL)		
Opening investment	4,946,648	5,261,388
Investment during the period / year	280,063	-
Share of loss from associate	(42,098)	(15,927)
Unrealized profit on management services	(194,884)	(298,453)
Group's share in share issue cost	-	(360)
	<u>4,989,729</u>	<u>4,946,648</u>

The Private Power and Infrastructure Board (PPIB) declared the achievement of the TNPTL's Financial Close (FC) on September 30, 2020.

Under the Power Purchase Agreement (PPA), TNPTL's Required Commercial Operations Date (RCOD) was March 31, 2021. Any delay in achievement of RCOD, can result in Liquidated Damages (LDs) amounting to USD 2.68 million for each month of delay. TNPTL requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company (SECMC). TNPTL expects to achieve COD in the year 2022.

CPPA(G) granted extension in the RCOD of TNPTL till June 30, 2022, subject to payment of undisputed High Voltage Direct Current (HVDC) charges, if charged to CPPA(G) from the COD of HVDC line. Since HVDC charges have not yet been levied to CPPA(G) based on which these will be charged to TNPTL, a reliable estimate of such undisputed charges cannot be ascertained by TNPTL.

	Dec 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
11.3 Prime International Oil and Gas Company Limited (Prime)		
Opening investment	267,507	-
Investment during the period / year	198,733	280,739
Share of profit / (loss) from joint venture	1,385	(13,232)
	<u>467,625</u>	<u>267,507</u>



11.4 China Power Hub Operating Company (Private) Limited (CPHO)

On October 29, 2021, HPHL executed a Joint Venture Agreement (JV Agreement) with China Power International Maintenance Engineering Company Limited (CPIME), for establishing a joint venture in Pakistan for the purpose of, inter alia, providing operation, maintenance, and other services to China Power Hub Generation Company (Private) Limited (CPHGC) in connection with its 1320 MW coal fired power plant located in Hub Balochistan (CPHGC's Plant) and to other customers. On January 20, 2022, a company by the name of China Power Hub Operating Company (Private) Limited (CPHO) was accordingly incorporated for such purpose. HPHL's shareholding in CPHO is 49%. On February 10, 2022, an Operations and Maintenance Agreement (the O&M Agreement) was executed between CPIME, CPHO and CPHGC. Pursuant to the O&M Agreement, CPHO was appointed to operate and maintain CPHGC's Plant for a term of 6 years.

HPHL's equity investment in CPHO amounts to Rs. 8.441 million and the shares which it has subscribed to are currently in the process of being issued. Additionally, HPHL, in accordance with requirements specified in the O&M Agreement, has issued a corporate guarantee (HPHL's Guarantee) dated February 15, 2022 in favor of CPHGC as security for CPHO's liabilities and obligations under the O&M Agreement. HPHL's Guarantee remains valid for the 6 year term of the O&M Agreement and is equivalent to 7.35% of the total O&M Fee for each year of the O&M Agreement.

	Note	Dec 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
12. TRADE DEBTS - secured			
Considered good - Secured			
Capacity Purchase Price (CPP)		26,715,528	58,023,203
Energy Purchase Price (EPP)		34,280,219	12,239,963
Late Payment Interest (LPI)	12.1	28,329,193	31,179,984
Startup Charges (SC)		336,401	50,110
Part Load Adjustment Charges (PLAC)		1,098,763	231,657
Pass through items (WPPF and taxes)		11,456	262,150
	12.2	<u>90,771,560</u>	<u>101,987,067</u>

12.1 This includes Rs. 2,713 million (June 2021: Rs. 6,221 million) related to LPI which is not yet billed by the Group.

12.2 This includes an amount of Rs. 73,114 million (June 2021: Rs. 78,093 million) from CPPA(G) and Rs. 5,660 million (June 2021: Rs. 4,928 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 from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum / three month KIBOR plus 4.5% per annum, compounded semi-annually and the delay in payment from NTDC carry mark-up at a rate of six month KIBOR plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

	Note	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		476,996	51,936
Other receivables			
Interest accrued		8,282	9,964
Income tax - refundable		318,438	352,174
Income tax - Contractor tax refundable		372,469	372,469
Sales tax		9,136,285	8,336,792
Advance tax		6,523	9,928
Staff gratuity		52,369	23,302
Staff retirement benefit - pension fund		2,646	762
Receivable from CPHGC		22,090	21,068
Receivable from CPHO		37,177	-
Receivable from TNPTL		12,645	31,690
Receivable from TNPTL against services agreement		1,400,194	63,386
Workers' profit participation fund recoverable from CPPA(G)	7.1	4,330,565	3,549,385
Miscellaneous		53,782	22,802
		<u>15,753,465</u>	<u>12,793,722</u>
		<u>16,230,461</u>	<u>12,845,658</u>



14. TRADE AND OTHER PAYABLES

This includes Rs. 30,114 million (June 2021: Rs. 34,496 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 28,479 million (June 2021: Rs. 26,682 million).

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

15. 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, 2021, except as follows:

15.1 In connection with the operations of holding company:

15.1.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 479 million (June 2021: Rs. 153 million).

15.2 In connection with the operations of NEL:

15.2.1 In December 2021, the FBR issued a demand of Rs. 506 million relating to the periods July 2019 to June 2020. FBR has apportioned input tax as well as has disallowed input tax on certain services including O&M service on the ground that NEL has claimed full amount of input tax on goods and services which is not in accordance with the law. NEL filed appeal with the Commissioner of Inland Revenue Appeals (CIR-A) which was heard in February 2022 while reserving the judgment. Meanwhile, the SHC had directed FBR not to take any coercive action for the recovery of demand till decision by the CIR-A. NEL's maximum exposure as at March 31, 2022 including the principal amount, penalty and default surcharge is approximately Rs. 520 million.

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

15.3 In connection with the operations of LEL:

15.3.1 In the matter of change in O&M contractor, the NEPRA in its ruling made vide its letter dated August 12, 2021, directed CPPA(G) to renegotiate the O&M cost so that the future impact of any savings is redressed and accordingly submit the amended PPA for approval of the Authority.

Meanwhile, the CPPA(G), while forwarding LEL's application for quarterly indexation for the quarters Jul-Sep and Oct-Dec 2021, asked NEPRA to withhold the O&M indexation. Acting on CPPA(G)'s request, NEPRA in its determination for the quarter July to September 2021 excluded the O&M indexation against which LEL filed a Motion of Leave for Review with NEPRA which is pending determination.

Subsequently, LEL filed a writ petition in Islamabad High Court seeking restraining orders against CPPA(G)'s unlawful action of amending LEL's quarterly indexation applications by excluding the indexation of the O&M components which is pending adjudication. The management, based on the opinion of LEL's legal counsel, is of the view that the ultimate disposal of this matter will not have any material impact on LEL.

The revenue for the period has been recognized in accordance with the indexation mechanism approved in the COD tariff by the NEPRA. Had the revenue been recognized without indexation of the O&M components, the total revenue for the period would have been lower by Rs. 256 million.



16. SEGMENT INFORMATION

16.1 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 and Laraib plant, operations & maintenance business and investments in CPHGC, TEL, TNPTL, SECMC and Prime.

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

	3 months ended Mar 2022							Total
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	
	Hub plant	Narowal plant	Laraib plant					
	(Rs. '000s)							
Turnover	10,365,317	6,682,187	1,737,080	133,570	-	-	(133,210)	18,784,944
Operating costs	(4,331,388)	(5,309,814)	(484,239)	(112,247)	-	-	100,657	(10,137,031)
GROSS PROFIT	6,033,929	1,372,373	1,252,841	21,323	-	-	(32,553)	8,647,913
General and administration expenses	(114,615)	(17,763)	(29,098)	(7,634)	(127,960)	-	(14,238)	(311,308)
Other income	161,581	2,510	51,852	6,399	47,336	1,185,784	(1,228,860)	226,602
Other operating expenses	(7,567)	-	-	-	(31,016)	(59,289)	-	(97,872)
PROFIT FROM OPERATIONS	6,073,328	1,357,120	1,275,595	20,088	(111,640)	1,126,495	(1,275,651)	8,465,335
Finance costs	(451,004)	(134,372)	(129,876)	(212)	(1,481,872)	-	197,698	(1,999,638)
Share of profit from associates - net	-	-	-	-	4,165,329	-	-	4,165,329
PROFIT BEFORE TAXATION	5,622,324	1,222,748	1,145,719	19,876	2,571,817	1,126,495	(1,077,953)	10,631,026
Taxation	(46,935)	(128)	(5,326)	(7,127)	(1,060,450)	(47,747)	-	(1,167,713)
PROFIT FOR THE YEAR	5,575,389	1,222,620	1,140,393	12,749	1,511,367	1,078,748	(1,077,953)	9,463,313

	3 months ended Mar 2021							Total
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	
	Hub plant	Narowal plant	Laraib plant					
	(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 YEAR	4,520,102	1,493,627	990,784	35,883	1,797,131	735,712	(755,200)	8,818,039



	9 months ended Mar 2022							Total
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	
	Hub plant	Narawal plant	Laraib plant					
(Rs. '000s)								
Turnover	41,835,460	18,089,971	5,126,395	571,246	-	-	(570,886)	65,052,186
Operating costs	(24,519,933)	(14,481,148)	(1,623,460)	(299,193)	-	-	327,153	(40,596,581)
GROSS PROFIT	17,315,527	3,608,823	3,502,935	272,053	-	-	(243,733)	24,455,605
General and administration expenses	(398,460)	(52,478)	(85,234)	(40,390)	(208,594)	-	16,733	(768,423)
Other income	445,094	4,492	129,909	28,734	168,582	1,895,789	(1,964,755)	707,845
Other operating expenses	(19,546)	-	-	-	(31,016)	(94,789)	-	(145,351)
PROFIT FROM OPERATIONS	17,342,615	3,560,837	3,547,610	260,397	(71,028)	1,801,000	(2,191,755)	24,249,676
Finance costs	(1,036,156)	(508,609)	(393,095)	(1,256)	(3,963,842)	-	506,072	(5,396,886)
Share of profit from associates - net	-	-	-	-	4,996,070	-	-	4,996,070
PROFIT BEFORE TAXATION	16,306,459	3,052,228	3,154,515	259,141	961,200	1,801,000	(1,685,683)	23,848,860
Taxation	(107,709)	(693)	(10,247)	(74,922)	(1,286,843)	(189,164)	-	(1,669,578)
PROFIT FOR THE YEAR	16,198,750	3,051,535	3,144,268	184,219	(325,643)	1,611,836	(1,685,683)	22,179,282

	9 months ended Mar 2021							Total
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	
	Hub plant	Narawal 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 YEAR	12,801,890	4,428,671	3,248,596	81,078	5,222,082	4,730,040	(4,805,895)	25,706,462

16.2 SEGMENT ASSETS & LIABILITIES

	As at Mar 31, 2022							Total
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	
	Hub plant	Narawal plant	Laraib plant					
(Rs. '000s)								
Assets	88,928,754	43,354,121	25,275,784	450,159	147,752,552	58,623,427	(64,333,287)	300,051,510
Liabilities	40,837,169	11,473,092	7,403,093	303,955	126,162,485	1,982,288	(6,028,657)	182,133,425

	As at June 30, 2021							Total
	Power Generation			Operations and Maintenance	Investments	Unallocated	Eliminations	
	Hub plant	Narawal plant	Laraib plant					
(Rs. '000s)								
Assets	102,558,582	40,528,932	26,090,757	593,482	115,062,214	54,911,022	(61,497,021)	278,247,968
Liabilities	69,750,478	11,699,438	9,585,590	391,497	81,676,989	599,245	(5,121,438)	168,581,799



17. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Note	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
17.1 Details of Transactions			
Associates			
Services rendered to CPHGC		44,788	41,630
Reimbursable expenses incurred on behalf of TNPTL		228,456	167,438
Receipt against reimbursement of expenses from TNPTL		-	-
Services rendered to TNPTL		1,698,157	151,590
Receipt against services agreement from TNPTL		-	-
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		120,191	265,541
Retirement benefits		3,722	8,874
	17.1.1	123,913	274,415
	17.1.2	5,325	8,450
	17.1.4	725	-
		86,141	71,274
		638,246	341,230

17.1. 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.

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

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

17.1. This represents proceeds from disposal of assets having written down value of Rs. 0.866 million to key management personnel.

	Mar 2022 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
17.2 Details of Balances		
Associate		
ThalNova Power Thar (Private) Limited		
Unearned income	350,582	-
Other related parties		
Payable to staff retirement benefit plans	9,352	9,172



	9 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2021 (Rs. '000s)
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,603,713	4,066,987
Short term borrowings	(34,862,090)	(35,865,993)
	(27,258,377)	(31,799,006)

19. 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 (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 2022				
Assets				
(Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,951,876	2,951,876
June 2021				
Assets				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,537,684	2,537,684



20. PLANT CAPACITY AND PRODUCTION

	3 months ended Mar 2022	3 months ended Mar 2021	9 months ended Mar 2022	9 months ended Mar 2021
<u>HUB PLANT</u>				
Theoretical Maximum Output	2,592 GWh	2,592 GWh	7,891 GWh	7,891 GWh
Output produced	97 GWh	0 GWh	863 GWh	105 GWh
Load Factor	3.74%	0%	10.94%	1.33%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,258 GWh (Mar 2021: 7,194 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Mar 2022	3 months ended Mar 2021	9 months ended Mar 2022	9 months ended Mar 2021
<u>NAROWAL PLANT</u>				
Theoretical Maximum Output	462 GWh	462 GWh	1406 GWh	1,406 GWh
Output produced	214 GWh	91GWh	634 GWh	349 GWh
Load Factor	46%	20%	45%	25%

Practical maximum output for the power plant, taking into account all the scheduled outages is ___ GWh (Mar 2021: 1,368 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Mar 2022	3 months ended Mar 2021	9 months ended Mar 2022	9 months ended Mar 2021
<u>LARAIB PLANT</u>				
Theoretical Maximum Output	181 GWh	181 GWh	552 GWh	552 GWh
Total Output	73 GWh	96 GWh	281 GWh	321 GWh
Load Factor	40%	53%	51%	58%

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

21. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on April 28, 2022 in accordance with the resolution of the Board of Directors.

22. GENERAL

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer

ڈائریکٹرز کا جائزہ

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

ششماہی ختمہ ۳۱ مارچ ۲۰۲۲ء

بورڈ آف ڈائریکٹرز مسرت کے ساتھ ۳۱ مارچ ۲۰۲۲ء کو ختم ہونے والی ششماہی کے لیے کمپنی کی مالی اور آپریشنل کارکردگی کا مختصر جائزہ پیش کرتا ہے۔

اہم مالی جھلکیاں:

زیر جائزہ عرصے میں انضمام شدہ خالص منافع ۲۱.۴۵۳ ملین روپے رہا جس کے نتیجے میں فی حصہ آمدنی ۱۶.۵۴ روپے ہو گئی جبکہ گزشتہ برس اسی عرصے کے دوران خالص منافع ۲۴.۹۱۸ ملین روپے تھا اور فی حصہ آمدنی ۱۹.۲۱ روپے تھی۔ منافع میں کمی کی بنیادی وجہ ایسوسی ایٹ چائنا پاور حب جنریشن کمپنی لمیٹڈ (CPHGC) کے منافع میں سے حاصل ہونے والے حصہ میں کمی ہے جو کہ جزوی طور پر امریکی ڈالر کے مقابلے میں پی کے آر کی قدر میں کمی کے اثرات اور زیادہ لوڈ فیکٹر کی وجہ سے اوپنڈ ایم کی آمدنی میں اضافہ ہے۔ اسی زیر جائزہ عرصے کے دوران غیر انضمام شدہ خالص منافع ۱۴.۴۴ ملین روپے تھا جس کے نتیجے میں فی حصہ آمدنی ۱۱.۱۴ روپے ہو گئی تھی جبکہ گزشتہ برس اسی عرصے کے دوران خالص منافع ۱۴.۵۲۰ ملین روپے تھا اور فی حصہ آمدنی ۱۱.۱۹ روپے تھی۔ غیر انضمام شدہ خالص منافع میں کمی کی بنیادی وجہ ذیلی کمپنیوں سے حاصل ہونے والے منافع منقسم میں کمی ہے اور جزوی طور پر امریکی ڈالر کے مقابلے میں پی کے آر کی قدر میں کمی کے اثرات کو پورا کیا گیا۔

حکومت کے ساتھ نظر ثانی شدہ معاہدوں کی بنیاد پر نارووال انرجی لمیٹڈ کی ۴۰ فیصد قابل وصول واجبات کی پہلی قسط جنوری ۲۰۲۲ء میں وصول ہوئی اور یہ ایک تہائی (۱/۳rd) نقد اور دو تہائی (۲/۳rd) پاکستان انویسٹمنٹ بانڈز (PIBs) اور سرکاری اجارہ صکوک (GIS) کے مالی انسٹرومنٹس کی صورت میں تھی۔

اہم آپریشنل جھلکیاں:

زیر جائزہ عرصے کی اہم آپریشنل جھلکیاں درج ذیل ہیں:

تکنیکی عوامل	حب	نارووال	لا ریب	CPHGC
خالص الیکٹرکل آؤٹ پٹ (GWh)	۸۶۳	۶۳۴	۲۸۱	۴.۸۴۴
لوڈ فیکٹر (%)	۱۰۹۴	۴۵۰۷	۵۱	۵۷.۶۷

۲۲ مارچ ۲۰۲۲ء کو لاریب انرجی لمیٹڈ نے سال کا اپنا نواں معاہدہ کامیابی سے مکمل کیا۔ پلاٹ کی دستیابی ۹۳ فیصد رہی اور معاہدے کے سال کے دوران ۴۲۰ جی ڈبلیو ایچ توانائی پیدا ہوئی۔

ترقیاتی پروجیکٹس:

تھر بلاک II میں قائم بھورے کوئلے (Lignite) سے ۳۳۰ MW بجلی پیدا کرنے والے تھر انرجی لمیٹڈ (TEL) کے پروجیکٹ کی تعمیر کا ۹۳ فیصد کام مکمل ہو چکا ہے اور توقع ہے کہ جولائی ۲۰۲۲ء تک تجارتی بنیادوں پر پیداوار (COD) کا ہدف حاصل کر لے۔ حال ہی میں پروجیکٹ نے ۱۵ ملین سیف مین ہاور کا سنگ میل بھی عبور کیا ہے۔

تھر بلاک II میں قائم بھورے کوئلے (Lignite) سے 330 MW بجلی پیدا کرنے والے تھل نواپا اور تھر (پرائیوٹ) لمیٹڈ کے پروجیکٹ کی تعمیر کا ۷۵ فیصد کام مکمل ہو چکا ہے اور توقع ہے کہ یہ پروجیکٹ سنہ ۲۰۲۲ء کے دوسرے نصف میں تجارتی بنیادوں پر پیداوار (COD) کے اہداف حاصل کر لے گا۔ اس پروجیکٹ نے اکتوبر ۲۰۲۱ء میں اسٹیم ڈرم چڑھانے کا سنگ میل کامیابی سے عبور کر لیا ہے۔

حب پاور ہولڈنگز لمیٹڈ (HPHL) اور چائنا پاور انٹرنیشنل مینیجمنٹ اینڈ انجینئرنگ کمپنی لمیٹڈ (CPIME) نے چائنا پاور حب کمپنی (پرائیوٹ) لمیٹڈ کے نام سے ایک جوائنٹ وینچر قائم کیا ہے۔ CPHO چائنا پاور حب جزییشن کمپنی (CPHGC) کے 660 MW کی گنجائش والے دو پلانٹس کو آپریشنز اور مینٹیننس (O&M) کی خدمات فراہم کرے گی۔ آپریشنز اینڈ مینٹیننس کے لیے اس معاہدے کا عرصہ ۶ سال ہوگا اور اس کا آغاز یکم فروری ۲۰۲۲ء سے ہوگا۔ چائنا اور انٹرنیشنل مینیجمنٹ اینڈ انجینئرنگ کمپنی لمیٹڈ اور حب پاور ہولڈنگز لمیٹڈ (HPHL) کا یہ جوائنٹ وینچر پاکستان میں کوئلے سے چلنے والے انتہائی پاور پلانٹ آپریشنز اور مینٹیننس کی خدمات فراہم کرے گا جس سے پاور انڈسٹری میں عمومی طور پر اور CPHGC کی قدر میں خصوصی طور پر بہت اضافہ ہوگا۔

پرائم انٹرنیشنل آئل اینڈ گیس کمپنی لمیٹڈ (HPHL) کے ۵۰ فیصد اور ایمپلائی بوائے آؤٹ گروپ پائٹرو (۵۰ فیصد) کی جانب سے ENI کے پاکستان میں کاروبار کے حصول کے معاملات عمدگی سے جاری ہیں اور جس کے لیے ڈائریکٹرز جنرل پیٹرولیم کنسیشنز (DGPC) کی جانب سے منظوریاں اچھی طرح سے آگے بڑھ رہی ہیں اور توقع ہے کہ ٹرانزیکشن سنہ ۲۰۲۲ء کی دوسری سہ ماہی میں مکمل ہو جائے گی۔

سائٹ کے علاقے میں گندے پانی کی ری سائیکلنگ کے پروجیکٹ کے بارے میں جو حکومت سندھ، کراچی واٹر اینڈ سیوریج بورڈ اور سائٹ انڈسٹریل ایریا کے درمیان ایک پبلک-پرائیوٹ پروجیکٹ ہے، حکومت نے کمپنی کی جانب سے پیش کی گئی غیر مطلوب تجویز (Unsolicited Proposal; UPS) کو پبلک-پرائیوٹ پارٹنرشپ (PPP) کے طور پر قبول کر لیا ہے، KWSB نے کمپنی کو پہلے سے اہل کر دیا ہے اور گندے پانی کی ری سائیکلنگ پروجیکٹ کے سلسلے میں بہترین بولی سے موازنے کی غرض سے انکار کا پہلا حق (First right of refusal) دے دیا ہے۔ توقع ہے کہ بولی دہندگان کا اعلان نومبر ۲۰۲۲ء تک کر دیا جائے گا۔

کراچی کے پانی کے مسائل کے حل میں مدد کے لیے کوشاں کمپنی رہائشی اور تجارتی صارفین کی خدمات کے لیے سی واٹر ریورس اوسموسس (Seawater reverse Osmosis) کے حل کا بھی جائزہ لے رہی ہے۔

کمپنی اپنے حصص یافتگان، ملازمین، کاروباری پارٹنرز اور دیگر فریقین کی شکرگزار ہے کہ انہوں نے کمپنی پر اعتماد کیا اور کمپنی کو ترقی اور خوشحالی کے سفر میں اپنی اعانت فراہم کی۔

حسب الحکم بورڈ

ایم حبیب اللہ خان
چیئرمین

کامران کمال
چیف ایگزیکٹو آفیسر