



**The Hub Power Company Limited**

Unaudited Financial Statements  
for the Quarter Ended  
September 30, 2018

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## **Company Information**

### **Board of Directors**

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

### **Audit Committee**

|               |          |
|---------------|----------|
| Manzoor Ahmed | Chairman |
| Qaiser Javed  |          |
| Owais Shahid  |          |
| Aly Khan      |          |
| Saad Iqbal    |          |

### **Company Secretary**

Shaharyar Nashat

### **Management Committee**

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

**Registered & Head  
Office**

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

Email: [Info@hubpower.com](mailto:Info@hubpower.com)  
Website: <http://www.hubpower.com>

**Principal Bankers**

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

**Inter-Creditor Agents**

Habib Bank Limited

Allied Bank Limited

MCB Bank Limited

**Legal Advisors**

RIAA Barker Gillette

**Auditors**

A.F.F Ferguson & Co.

**Registrar**

FAMCO Associates (Pvt) Limited

**Hub Plant**

Mouza Kund,  
Post Office Gaddani,  
District Lasbela, Balochistan

**Narowal Plant**

Mouza Poong,  
5 KM from Luban Pulli Point on Mureedkay-Narowal  
Road, District Narowal, Punjab

**Laraib Energy Limited  
(Subsidiary)**

12-B/1, Multi Mansion Plaza,  
G-8, Markaz, Islamabad

## Report of Directors on the Consolidated and Un-Consolidated Financial Statements for First Quarter ended September 30, 2018.

The Board of Directors of the Company is pleased to present the consolidated and unconsolidated unaudited financial statements for the quarter ended September 30, 2018.

### About the Company

Pakistan's first independent power producer, The Hub Power Company Limited has a combined power generation capacity of over 1601MW. The Company's 1292MW RFO-fired thermal Plant, situated at Mouza Kund, Hub in Baluchistan, supplies reliable and uninterrupted electricity to the National grid. The Company's wholly owned subsidiary, Narowal Energy Limited (NEL) owns a 225MW Narowal Power Plant. Narowal Plant is an RFO-fired, engine based, combined cycle power station, located at Mouza Poong, Narowal in Punjab. Additionally, the Company holds 75% controlling interest in Laraib Energy Limited which owns and operates an 84MW run-of-the-river hydel power Plant near the New Bong Escape, 8 km downstream of Mangla Dam in Azad Jammu and Kashmir.

The Company has formed wholly-owned subsidiaries to launch new growth initiatives. The Company has incorporated Hub Power Holdings Limited (HPhL) for investing in the imported coal based 1,320MW power project with integrated jetty and other future growth initiatives. To undertake the imported coal-based power project through HPhL, Company has set up China Power Hub Generation Company (Pvt.) Ltd. (CPHGC) with its joint venture partner M/s China Power International Holdings (CPIH).

Hub Power Services Limited (HPSL), a wholly owned subsidiary manages O&M of its existing power assets, its future expansion projects in addition to exploring onshore and offshore O&M business opportunities. HPSL is currently operating the Hub, Narowal & Laraib Plants.

The Company has established Thar Energy Limited (TEL) to set up a 330MW mine mouth lignite fired power Plant at Thar Coal Block II Sindh. The Company has signed a Shareholders' Agreement with Fauji Fertilizer Company Limited (FFCL) and CMEC TEL Power Investments Limited (CMEC Dubai) for equity investment of 30% and 10% respectively in the Project.

The Company is also investing US\$ 20 million in Sindh Engro Coal Mining Company Limited (SECMC), a joint venture between the Company, Engro, Thal Limited, HBL, CMEC and Government of Sindh to develop a coal mine at Thar which has the seventh largest reserves of coal in the World.

### Financial Highlights

Consolidated financial highlights of the Group during the period under review are as follows:

|                            | Quarter ended<br>September 30, 2018 | Quarter ended<br>September 30, 2017 |
|----------------------------|-------------------------------------|-------------------------------------|
|                            | Rs. in Million                      |                                     |
| Turnover                   | 17,946                              | 27,340                              |
| Operating costs            | 13,108                              | 23,162                              |
| Net Profit *               | 2,960                               | 2,384                               |
| Earnings Per Share (Rs.) * | 2.56                                | 2.06                                |

\* Attributable to the Owners of the holding company

Consolidated net profit during the period under review was Rs. 2,960 million, resulting in earnings per share of Rs. 2.56 compared to net profit of Rs. 2,384 million and earnings per share of Rs. 2.06 last year. The increase in profit is mainly due to lower repair and maintenance expenditures at Hub and Narowal Plants and lower administrative expenses partly offset by higher financing costs.

Unconsolidated financial highlights of the Company during the period under review are as follows:

|                          | Quarter ended<br>September 30, 2018 | Quarter ended<br>September 30, 2017 |
|--------------------------|-------------------------------------|-------------------------------------|
|                          | Rs. in Million                      |                                     |
| Turnover                 | 10,690                              | 21,574                              |
| Operating costs          | 8,282                               | 19,327                              |
| Net Profit               | 1,493                               | 2,181                               |
| Earnings Per Share (Rs.) | 1.29                                | 1.88                                |

Unconsolidated net profit earned by the Company for three months ending September 30, 2018 was Rs. 1,493 million, resulting in earnings per share of Rs. 1.29 compared to net profit of Rs. 2,181 million and earnings per share of Rs. 1.88 last year. The decrease in profit is mainly due to lower dividend income from subsidiaries and higher financing costs partly offset by lower administrative expenses.

### Operational Highlights

Operational highlights of our plants during the period under review are as follows:

|                      | Unit | Quarter ended<br>September 30, 2018 | Quarter ended<br>September 30,<br>2017 |
|----------------------|------|-------------------------------------|--|
| <b>Hub Plant</b>     |      |                                     |  |
| Generation           | GWh  | 345                                 | 1783                                   |
| Load Factor          | %    | 13                                  | 68                                     |
| <b>Narowal Plant</b> |      |                                     |  |
| Generation           | GWh  | 306                                 | 322                                    |
| Load Factor          | %    | 65                                  | 68                                     |
| <b>Laraib Plant</b>  |      |                                     |  |
| Generation           | GWh  | 58                                  | 93                                     |
| Load Factor          | %    | 31                                  | 50                                     |

### Hub Plant

During the quarter under review, plant operated at an average load factor of 13% (Q1 2017-18: 68%) and available capacity was 84% (Q1 2017-18: 80%). Electricity sold to WAPDA was 345 GWh as compared to 1,783 GWh in the corresponding period last year. During the quarter, generation was lower due to low load demanded by Power Purchaser and plant running out of fuel on September 4, 2018 which resulted in plant shut down. PSO stopped the oil supplies because of circular debt which were resumed on October 13, 2018.

The Company's legal position has been communicated to CPPA(G) that the shut down of the Hub plant was a direct result and consequence of the default of CPPA(G) in payment of the overdue amounts owed to Company and the default of not opening the SBLC in favor of Hubco as required under the PPA and any losses, claims, and / or damages arising out of and in connection therewith are to the sole account, risk and liability of CPPA(G).

#### **Narowal Plant**

During the quarter, Net Electrical Output (NEO) of Narowal Plant for the quarter was 306 GWh (Q1 2017-18: 322 GWh) and the load factor for the quarter was 65% (Q1 2017-18: 68%). During the quarter, Annual Dependability Capacity test was successfully conducted with Complex achieving load of 215.44MW against Initial declared capacity of 213.820 MW @ Load factor of 100.64%.

#### **Laraib Plant**

During the quarter, the plant generated 58 GWh at a load factor of 31% against 118 GWh with load factor of 64 % envisaged in the PPA. The decrease in generation was due to low hydrology available for the Complex during the quarter. Plant achieved 100% Availability, 100% Reliability and no forced outage occurred during the quarter. Monthly Maintenance of Units was carried out on opportunity basis.

#### **Investment in Future Growth Projects**

##### **1,320MW China Power Hub Generation Company Private Limited (CPHGC)**

The Project achieved Financial Close on January 26, 2018 and loan drawdown has commenced. The Project has been progressing according to the plan and is targeted to achieve COD by August 2019. The Company has also initiated the process for increasing its shareholding to 47.5% (beneficial interest 46%) in the Project post the exercise of its Call Option as per the Shareholders Agreement. The call option exercise is expected to complete by first Quarter 2019 subject to Chinese and Pakistani regulatory / corporate approvals.

##### **330MW Thar Energy Limited (TEL)**

TEL is setting up 330MW mine mouth lignite-based Power Plant at Block II, Thar. The Company has signed a Shareholders' Agreement with Fauji Fertilizer Company Limited (FFCL) and CMEC Tel Power Investments Limited (CMEC Dubai) for equity investment of 30% and 10% respectively in the Project. Both FFCL and CMEC Dubai have already injected equity in the Company.

TEL has made payment for First Mobilization Advance to China Machinery Engineering Corporation (CMEC) under the Offshore Supply Agreement. TEL has finalized its foreign lending consortium as Ming Sheng Bank has joined consortium led by Chinese Development Bank.

TEL has applied to Private Power Infrastructure Board (PPIB) for further extension of Letter of Support (LoS) till March 8, 2019, for which the response is expected by the end of October.

##### **Sindh Engro Coal Mining Company (SECMC)**

Post the financial close in April 2016, the Thar coal mining project construction has progressing satisfactorily, having recently unearthed the first seam of coal. The Company has 8% stake in the Project, which is ahead of schedule by approximately 4 months, with production commencement expected in June 2019. SECMC also plans to expand mining capacity to 7.6 Mt/annum to cater to the two additional 330MW IPPs being set up by Thar Energy Limited (HUBCO) and Thal Nova Power Thar (Pvt.) Limited (House of Habib and Novatex) and plans to achieve Financial Close of Phase II by December 31, 2018.



### **ThalNova Power Thar (Private) Limited**

The Company through its 100% owned subsidiary Company Hub Power Holding Limited (HPhL) has entered into a Share Subscription Agreement (SSA) with Thal Power (Private) Limited, Nova Powergen Limited and ThalNova Power Thar (Private) Limited to acquire majority stake of 38.3% of the total shareholding of ThalNova. The Board of Directors of the Company has approved this acquisition on October 26, 2018 subject to regulatory approvals.

### **Risk Management & Strategy for Mitigating Risks**

To mitigate risk and uncertainty that is faced by every business and that may affect its interests, the Company is following and implementing a prudent and cautious rationale. The Company aims to recognize all long-term and short-term risks, to overcome and eliminate them.

The Company considers itself to be exposed to material risks as described below:

#### **Operational Risk**

To mitigate the operational risks, necessary strategies have been developed and substantial investments are continuously being made to ensure the reliability of all operating plants. The Company has carried out necessary rehabilitation and refurbishments at the Hub Plant and is carrying out the requisite maintenance required at the Narowal and Laraib Plants.

#### **Financial Risk**

The Company is facing the effects of circular debt and during the quarter, oil supplies to its Hub Power Plant were also stopped by PSO from July 1, 2018 to October 12, 2018 which were restored on October 13, 2018. The financial problems met by the Power Purchasers and its effects on Hubco could endanger the Company's capacity to continue Plant operations and pursue its future growth initiatives. The Company is constantly engaged with its customers for the recovery of all its overdue amounts. The Company also continues to meet and follow up with relevant Stakeholders in Government to pursue them for the resolution of circular debt and to apprise them of the potential fallouts.

#### **Internal Controls**

The Company has deployed an effective system of internal controls to carry on the business in an orderly manner, safeguard its assets and secure the accuracy and reliability out of its records. Management supervision and reviews are an essential element of the system of internal controls. The Board reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information. Analysis of budgetary control is in place and the Board reviews material variances with explanations and actions taken thereon.

#### **Corporate Social Responsibility**

As a responsible energy company, we are aware of our role in matching needs of today with the responsibilities of tomorrow. Consequently, we remain committed to our contribution in creating a sustainable development plan for our businesses. As part of our enduring commitment towards sustainable development, we maintained a stringent focus on the following key areas:

- Health
- Education,
- Physical Infrastructure
- Livelihood Interventions

During the quarter, we worked closely with our change partners including The Citizens Foundation, WWF, Al Baseer Foundation, Local District Administrations, etc. to support their programs for Health and Education in providing socio-economic opportunities to a multitude of individuals and households.

### **Health, Safety & Environment**

Operating in a safe working environment is the primary responsibility of the Company and our leadership team. It is a responsibility we take very seriously, and when we fall short of expected levels of safety, we make sure lessons are learnt and shared, as well as making sure we take any necessary remedial actions as soon as practicable.

The implementation of world best of DuPont Safety System is in process and Site safety procedures are being aligned with DuPont requirements. Regular safety awareness of the staff is being ensured through regular trainings, electronic display units and incentive programs.

### **Dividend**

Rising circular debt and delay in payments by Power Purchasers have resulted in severe liquidity crisis for the Company. Therefore, the Company is constrained from declaring any dividend this quarter. The Board also decided that going forward, it will consider the declaration of dividends on six monthly basis to mitigate the impact of rising circular debt.

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 Director



Javed Akbar  
Director



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|   | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|---|------|---|---|
| Turnover                                      |      | 10,690,053                                | 21,573,670                                |
| Operating costs                               | 5    | (8,282,006)                               | (19,326,675)                              |
| <b>GROSS PROFIT</b>                           |      | <u>2,408,047</u>                          | <u>2,246,995</u>                          |
| General and administration expenses           |      | (179,187)                                 | (290,860)                                 |
| Other income                                  | 6    | 10,732                                    | 797,821                                   |
| Other operating expenses                      | 7    | (1,082)                                   | (43,025)                                  |
| <b>PROFIT FROM OPERATIONS</b>                 |      | <u>2,238,510</u>                          | <u>2,710,931</u>                          |
| Finance costs                                 | 8    | (739,223)                                 | (466,374)                                 |
| <b>PROFIT BEFORE TAXATION</b>                 |      | <u>1,499,287</u>                          | <u>2,244,557</u>                          |
| Taxation                                      |      | (6,160)                                   | (63,583)                                  |
| <b>PROFIT FOR THE PERIOD</b>                  |      | <u><u>1,493,127</u></u>                   | <u><u>2,180,974</u></u>                   |
| Basic and diluted earnings per share (Rupees) |      | <u><u>1.29</u></u>                        | <u><u>1.88</u></u>                        |

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

Javed Akbar  
Director

Khalid Mansoor  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|  | <b>3 months ended<br/>Sep 2018<br/>(Rs. '000s)</b> | <b>3 months ended<br/>Sep 2017<br/>(Rs. '000s)</b> |
|--|--|--|
| Profit for the period  | 1,493,127  | 2,180,974  |
| <b>Other comprehensive (loss) / income for the period</b>                          |  |  |
| <i>Items that will not be reclassified to Profit or Loss in subsequent periods</i> |  |  |
| (Loss) / gain on remeasurement of post employment benefit obligation               | (1,905)  | 2,451  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                                   | <u>1,491,222</u>                                   | <u>2,183,425</u>                                   |

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

Javed Akbar  
Director

Khalid Mansoor  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2018**

|                                      | Note | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|--------------------------------------|------|--|--------------------------------------|
| <b><u>ASSETS</u></b>                 |      |  |                                      |
| <b>NON-CURRENT ASSETS</b>            |      |  |                                      |
| Fixed Assets                         |      |  |                                      |
| Property, plant and equipment        | 9    | 14,955,664                             | 15,400,857                           |
| Intangibles                          |      | 46,222                                 | 54,818                               |
| Long term investments                | 10   | 21,638,877                             | 20,679,288                           |
| Long term deposits and prepayments   |      | 21,183                                 | 20,883                               |
|                                      |      | 36,661,946                             | 36,155,846                           |
| <b>CURRENT ASSETS</b>                |      |  |                                      |
| Stores, spares and consumables       |      | 1,945,822                              | 1,954,808                            |
| Stock-in-trade                       |      | 257,908                                | 5,687,922                            |
| Trade debts                          | 11   | 79,847,957                             | 82,683,678                           |
| Loans and advances                   |      | 145,566                                | 90,485                               |
| Prepayments and other receivables    | 12   | 11,146,894                             | 9,617,835                            |
| Cash and bank balances               |      | 295,079                                | 426,885                              |
|                                      |      | 93,639,226                             | 100,461,613                          |
| <b>TOTAL ASSETS</b>                  |      | 130,301,172                            | 136,617,459                          |
| <b><u>EQUITY AND LIABILITIES</u></b> |      |  |                                      |
| <b>SHARE CAPITAL AND RESERVE</b>     |      |  |                                      |
| <b>Share Capital</b>                 |      |  |                                      |
| Authorised                           |      | 17,000,000                             | 17,000,000                           |
| Issued, subscribed and paid-up       |      | 11,571,544                             | 11,571,544                           |
| <b>Revenue Reserve</b>               |      |  |                                      |
| Unappropriated profit                |      | 9,746,817                              | 8,255,595                            |
|                                      |      | 21,318,361                             | 19,827,139                           |
| <b>NON-CURRENT LIABILITIES</b>       |      |  |                                      |
| Long term loans                      |      | 13,224,735                             | 12,662,033                           |
| <b>CURRENT LIABILITIES</b>           |      |  |                                      |
| Trade and other payables             | 13   | 71,844,516                             | 79,821,494                           |
| Unclaimed dividend                   |      | 140,226                                | 140,286                              |
| Unpaid dividend                      |      | 134,628                                | 247,281                              |
| Interest / mark-up accrued           |      | 195,103                                | 157,647                              |
| Short term borrowings                |      | 21,427,967                             | 21,776,111                           |
| Current maturity of long term loans  |      | 2,015,636                              | 1,985,468                            |
|                                      |      | 95,758,076                             | 104,128,287                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | 130,301,172                            | 136,617,459                          |

**COMMITMENTS AND CONTINGENCIES**

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

Javed Akbar  
Director

Khalid Mansoor  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|  | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|------|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |      |   |   |
| Profit before taxation                                       |      | 1,499,287                                 | 2,244,557                                 |
| Adjustments for:   |      |   |   |
| Depreciation   |      | 479,599                                   | 477,291                                   |
| Amortisation   |      | 8,596                                     | 7,274                                     |
| Dividend income from subsidiaries                            |      | -   | (784,314)                                 |
| (Gain) / loss on disposal of fixed assets                    |      | (20)                                      | 3,809                                     |
| Provision against slow moving stores, spares and consumables |      | 30,820                                    | 9,343                                     |
| Provision for Workers' profit participation fund             |      | 324                                       | 39,216                                    |
| Staff gratuity   |      | 6,121                                     | 5,047                                     |
| Interest income  |      | (4,220)                                   | (3,412)                                   |
| Interest / mark-up   |      | 699,072                                   | 461,239                                   |
| Amortisation of transaction costs                            |      | 900                                       | 2,603                                     |
| Operating profit before working capital changes              |      | 2,720,479                                 | 2,462,653                                 |
| Working capital changes                                      |      | (370,236)                                 | 1,041,678                                 |
| Cash generated from operations                               |      | 2,350,243                                 | 3,504,331                                 |
| Interest income received                                     |      | 4,314                                     | 3,413                                     |
| Interest / mark-up paid                                      |      | (661,616)                                 | (435,613)                                 |
| Workers' profit participation fund paid                      |      | (935,191)                                 | -   |
| Staff gratuity paid  |      | (12,000)                                  | (9,000)                                   |
| Taxes paid   |      | (14,394)                                  | (90,239)                                  |
| Net cash generated from operating activities                 |      | 731,356                                   | 2,972,892                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |      |   |   |
| Dividend received from subsidiaries                          |      | -   | 784,314                                   |
| Fixed capital expenditure                                    |      | (34,406)                                  | (29,125)                                  |
| Proceeds from disposal of fixed assets                       |      | 20  | 4,944                                     |
| Long term investments made                                   |      | (959,589)                                 | (1,276,812)                               |
| Long term deposits and prepayments                           |      | (300)                                     | 2,571                                     |
| Net cash used in investing activities                        |      | (994,275)                                 | (514,108)                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |      |   |   |
| Dividends paid   |      | (112,713)                                 | (932,291)                                 |
| Proceeds from long term loans                                |      | 959,589                                   | 1,128,423                                 |
| Repayment of long term loans                                 |      | (367,619)                                 | (341,913)                                 |
| Net cash generated from / (used in) financing activities     |      | 479,257                                   | (145,781)                                 |
| Net increase in cash and cash equivalents                    |      | 216,338                                   | 2,313,003                                 |
| Cash and cash equivalents at the beginning of the period     |      | (21,349,226)                              | (18,867,661)                              |
| Cash and cash equivalents at the end of the period           | 16   | (21,132,888)                              | (16,554,658)                              |

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

Javed Akbar  
Director

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 FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|  | <b>3 months ended<br/>Sep 2018<br/>(Rs. '000s)</b> | <b>3 months ended<br/>Sep 2017<br/>(Rs. '000s)</b> |
|--|--|--|
| <b>ISSUED CAPITAL</b>                              |  |  |
| Balance at the beginning of the period             | 11,571,544   | 11,571,544   |
| Balance at the end of the period                   | <u>11,571,544</u>                                  | <u>11,571,544</u>                                  |
| <b>UNAPPROPRIATED PROFIT</b>                       |  |  |
| Balance at the beginning of the period             | 8,255,595  | 7,913,999  |
| Profit for the period                              | 1,493,127  | 2,180,974  |
| Other comprehensive (loss) / income for the period | (1,905)  | 2,451  |
| <b>Total comprehensive income for the period</b>   | 1,491,222  | 2,183,425  |
| Balance at the end of the period                   | <u>9,746,817</u>                                   | <u>10,097,424</u>                                  |
| <b>TOTAL EQUITY</b>                                | <u><u>21,318,361</u></u>                           | <u><u>21,668,968</u></u>                           |

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

Javed Akbar  
Director

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 FIRST QUARTER ENDED SEPTEMBER 30, 2018**

## **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:

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

## **2. BASIS OF PREPARATION**

These unaudited condensed interim unconsolidated financial statements of the Company for the first quarter ended September 30, 2018 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;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2018.

These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investments in subsidiaries 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, 2018.

## **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, 2018. 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, 2018.



|   | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|---|------|---|---|
| <b>5. OPERATING COSTS</b>   |      |   |   |
| Fuel cost   |      | 6,699,849                                 | 17,628,680                                |
| Stores and spares   |      | 127,836                                   | 242,270                                   |
| Operation and maintenance   | 5.1  | 415,050                                   | 464,625                                   |
| Insurance   |      | 155,890                                   | 128,841                                   |
| Depreciation  |      | 470,920                                   | 467,062                                   |
| Amortisation  |      | 7,116                                     | 5,790                                     |
| Repairs, maintenance and other costs  |      | 405,345                                   | 389,407                                   |
|   |      | <u>8,282,006</u>                          | <u>19,326,675</u>                         |
| 5.1 This represents fee for O&M services rendered by HPSL (a subsidiary company). |      |   |   |
| <b>6. OTHER INCOME</b>  |      |   |   |
| <b>Financial assets</b>   |      |   |   |
| Interest income   |      | 4,220                                     | 3,412                                     |
| <b>Non-financial assets</b>   |      |   |   |
| Gain on disposal of fixed assets  |      | 20  | -   |
| Dividend income from subsidiaries   |      | -   | 784,314                                   |
| Income from management services   | 6.1  | 6,492                                     | 4,760                                     |
| Exchange gain   |      | -   | 5,335                                     |
|   |      | <u>6,512</u>                              | <u>794,409</u>                            |
|   |      | <u>10,732</u>                             | <u>797,821</u>                            |
| <b>6.1 Income from management services</b>  |      |   |   |
| Services income from TEL (a subsidiary company)                                   |      | 68,137                                    | 52,649                                    |
| Cost of services  |      | (61,645)                                  | (47,889)                                  |
|   |      | <u>6,492</u>                              | <u>4,760</u>                              |
| <b>7. OTHER OPERATING EXPENSES</b>  |      |   |   |
| Loss on disposal of fixed assets  |      | -   | 3,809                                     |
| Exchange loss   |      | 758                                       | -   |
| Workers' profit participation fund  | 7.1  | 324                                       | 39,216                                    |
|   |      | <u>1,082</u>                              | <u>43,025</u>                             |
| <b>7.1 Workers' profit participation fund</b>                                     |      |   |   |
| Provision for Workers' profit participation fund                                  |      | 75,269                                    | 114,189                                   |
| Workers' profit participation fund recoverable from CPPA-G                        |      | (74,945)                                  | (74,973)                                  |
|   |      | <u>324</u>                                | <u>39,216</u>                             |

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



|  | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s)       | 3 months ended<br>Sep 2017<br>(Rs. '000s)     |
|--|------|---|---|
| <b>8. FINANCE COSTS</b>  |      |   |   |
| Interest / mark-up on long term loans  |      | 273,684   | 137,808                                       |
| Mark-up on short term borrowings   |      | 425,388   | 323,431                                       |
| Amortisation of transaction costs  |      | 900   | 2,603   |
| Other finance costs  |      | 39,251  | 2,532   |
|  |      | <u>739,223</u>                                  | <u>466,374</u>                                |
|  |      | <b>Sep 2018<br/>(Rs. '000s)<br/>(Unaudited)</b> | <b>Jun 2018<br/>(Rs. '000s)<br/>(Audited)</b> |
| <b>9. PROPERTY, PLANT AND EQUIPMENT</b>  |      |   |   |
| Operating property, plant and equipment  |      | 14,914,073                                      | 15,292,482                                    |
| Capital work-in-progress   |      | 41,591  | 108,375                                       |
|  | 9.1  | <u>14,955,664</u>                               | <u>15,400,857</u>                             |
| 9.1 Additions to property, plant and equipment during the period were Rs. 34 million (Sep 2017: Rs. 29 million) and disposals therefrom at net book value were Rs. nil (Sep 2017: Rs. 5 million).  |      |   |   |
|  | Note | Sep 2018<br>(Rs. '000s)<br>(Unaudited)          | Jun 2018<br>(Rs. '000s)<br>(Audited)          |
| <b>10. LONG TERM INVESTMENTS</b>   |      |   |   |
| <b>Investment in subsidiaries - unquoted</b>   |      |   |   |
| Laraib Energy Limited (LEL)  |      | 4,674,189                                       | 4,674,189                                     |
| Hub Power Services Limited (HPSL)  |      | 100   | 100   |
| Hub Power Holdings Limited (HPHL)  |      | 9,013,590                                       | 8,572,590                                     |
| Narowal Energy Limited (NEL)   |      | 3,921,883                                       | 3,921,883                                     |
| Thar Energy Limited (TEL)  |      | 2,917,600                                       | 2,567,600                                     |
|  |      | <u>20,527,362</u>                               | <u>19,736,362</u>                             |
| <b>Others - unquoted</b>   |      |   |   |
| Equity security available-for-sale   |      |   |   |
| - Sindh Engro Coal Mining Company Limited (SECMC)  |      | 1,111,515                                       | 942,926                                       |
|  |      | <u>21,638,877</u>                               | <u>20,679,288</u>                             |
| <b>11. TRADE DEBTS - Secured</b>   |      |   |   |
| Considered good  | 11.1 | <u>79,847,957</u>                               | <u>82,683,678</u>                             |
| 11.1 This includes an amount of Rs. 73,643 million (June 2018: Rs. 74,073 million) receivable from CPPA-G which is overdue but not impaired because the trade debts are secured by a guarantee from the GOP under Implementation Agreement. The delay in payments from CPPA-G carries mark-up at SBP discount rate plus 2% per annum compounded semi-annually. |      |   |   |



## 12. PREPAYMENTS AND OTHER RECEIVABLES

|  | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|--|--|--------------------------------------|
| Prepayments  | 497,288                                | 22,059                               |
| Other receivables  |  |                                      |
| Interest accrued   | 7,984                                  | 325                                  |
| Income tax - refundable                                    | 1,912,347                              | 1,912,347                            |
| Sales tax  | 6,027,808                              | 6,795,219                            |
| Advance tax  | 88,286                                 | 147,384                              |
| Receivable from LEL  | 10,745                                 | 6,794                                |
| Receivable from HPSL                                       | -                                      | 8,935                                |
| Receivable from HPHL                                       | 41,866                                 | 41,306                               |
| Receivable from NEL  | 1,802,335                              | 1,655                                |
| Receivable from TEL  | 619                                    | 64                                   |
| Workers' profit participation fund recoverable from CPPA-G | 755,895                                | 681,275                              |
| Miscellaneous  | 1,721                                  | 472                                  |
|  | 10,649,606                             | 9,595,776                            |
|  | <u>11,146,894</u>                      | <u>9,617,835</u>                     |

## 13. TRADE AND OTHER PAYABLES

This includes Rs. 70,001 million (June 2018: Rs. 76,943 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 66,256 million (June 2018: Rs. 69,758 million).

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

## 14. COMMITMENTS AND CONTINGENCIES

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

## 15. RELATED PARTY TRANSACTIONS AND BALANCES

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

### 15.1 Details of transactions

|  | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|---|---|
| <b>Subsidiaries</b>  |   |   |
| <b>Laraib Energy Limited</b>                               |   |   |
| Reimbursable expenses incurred on behalf of subsidiary     | 5,534                                     | 5,292                                     |
| Receipts against reimbursement of expenses from subsidiary | 1,583                                     | 9,806                                     |
| Dividend received  | -   | 521,548                                   |
| Receipt against disposal of an asset                       | -   | 1,425                                     |



|  | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|---|---|
| <b>Hub Power Holdings Limited</b>                          |   |   |
| Investment in subsidiary                                   | 441,000                                   | -   |
| Reimbursable expenses incurred on behalf of subsidiary     | 1,732                                     | 2,996                                     |
| Receipts against reimbursement of expenses from subsidiary | 1,172                                     | 1,100                                     |
| <b>Hub Power Services Limited</b>                          |   |   |
| Reimbursable expenses incurred on behalf of subsidiary     | 2,351                                     | 8,769                                     |
| Receipts against reimbursement of expenses from subsidiary | 9,719                                     | 10,805                                    |
| Reimbursable expenses incurred by subsidiary               | 25,262                                    | -   |
| Payments against reimbursement of expenses to subsidiary   | 1,734                                     | -   |
| Amount paid for O&M services rendered                      | 474,604                                   | 520,547                                   |
| <b>Narowal Energy Limited</b>                              |   |   |
| Reimbursable expenses incurred on behalf of subsidiary     | 12,123                                    | 19,773                                    |
| Receipts against reimbursement of expenses from subsidiary | 11,442                                    | 16,558                                    |
| Dividend received  | -   | 262,766                                   |
| Interest income on loan to subsidiary                      | 20,239                                    | -   |
| Receipts against interest on loan to subsidiary            | 12,486                                    | -   |
| <b>Thar Energy Limited</b>                                 |   |   |
| Investment in subsidiary                                   | 350,000                                   | 1,180,000                                 |
| Reimbursable expenses incurred on behalf of subsidiary     | 1,561                                     | 3,237                                     |
| Receipts against reimbursement of expenses from subsidiary | 1,006                                     | -   |
| Reimbursable expenses incurred by subsidiary               | -   | 4,877                                     |
| Transfer of assets to subsidiary                           | -   | 8,256                                     |
| Receipts against transfer of assets from subsidiary        | -   | 7,177                                     |
| Transfer of assets by subsidiary                           | -   | 5,776                                     |
| Payment against transfer of assets to subsidiary           | -   | 1,949                                     |
| Services rendered to subsidiary                            | 76,995                                    | 59,494                                    |
| Advance received against services rendered to subsidiary   | -   | 119,102                                   |
| <b>Other related parties</b>                               |   |   |
| Proceeds from disposal of land to CPHGC                    | -   | 189,341                                   |
| Loss on disposal of land to CPHGC                          | -   | 3,842                                     |



|  | Note            | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|-----------------|---|---|
| Remuneration to key management personnel       |                 |   |   |
| Salaries, benefits and other allowances        |                 | 34,959                                    | 141,473                                   |
| Retirement benefits                            |                 | 1,252                                     | 1,019                                     |
|  | 15.1.1 & 15.1.3 | 36,211                                    | 142,492                                   |
| Directors' fee                                 | 15.1.2          | 1,200                                     | 2,650                                     |
| Contribution to staff retirement benefit plans |                 | 14,684                                    | 11,922                                    |

15.1.1 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.

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

15.1.3 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 6 million (Sep 2017: Rs. 6 million).

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

| 15.2 Details of outstanding balances | Note   | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|--------------------------------------|--------|--|--------------------------------------|
| <b>Subsidiaries</b>                  |        |  |                                      |
| <b>Laraib Energy Limited</b>         |        |  |                                      |
| Investment                           |        | 4,674,189                              | 4,674,189                            |
| Receivable                           |        | 10,745                                 | 6,794                                |
| <b>Hub Power Holdings Limited</b>    |        |  |                                      |
| Investment                           |        | 9,013,590                              | 8,572,590                            |
| Receivable                           |        | 41,866                                 | 41,306                               |
| <b>Hub Power Services Limited</b>    |        |  |                                      |
| Investment                           |        | 100                                    | 100                                  |
| Receivable                           |        | -                                      | 8,935                                |
| Payable                              |        | 19,258                                 | -                                    |
| <b>Narowal Energy Limited</b>        |        |  |                                      |
| Investment                           |        | 3,921,883                              | 3,921,883                            |
| Receivable                           | 15.2.1 | 1,802,335                              | 1,655                                |
| Accrued interest                     | 15.2.1 | 7,984                                  | 231                                  |



|   | <b>Sep 2018</b><br><b>(Rs. '000s)</b><br><b>(Unaudited)</b> | <b>Jun 2018</b><br><b>(Rs. '000s)</b><br><b>(Audited)</b> |
|---|---|---|
| <b>Thar Energy Limited</b>                |   |   |
| Investment                                | 2,917,600   | 2,567,600   |
| Receivable                                | 619   | 64  |
| Advance against management services       | 5,249   | 73,386  |
| <b>Other related parties</b>              |   |   |
| Payable to staff retirement benefit plans | 15,326  | 16,336  |

15.2.1 The company has provided NEL an unsecured short term loan facility for an amount of up to Rs. 3 billion, to meet its working capital requirements, which carries markup at the rate of 0.4% 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. 1.8 billion.

|                                      | <b>3 months ended</b><br><b>Sep 2018</b><br><b>(Rs. '000s)</b> | <b>3 months ended</b><br><b>Sep 2017</b><br><b>(Rs. '000s)</b> |
|--------------------------------------|--|--|
| <b>16. CASH AND CASH EQUIVALENTS</b> |  |  |
| Cash and bank balances               | 295,079  | 293,557  |
| Short term borrowings                | (21,427,967)   | (16,848,215)   |
|                                      | (21,132,888)   | (16,554,658)   |

|  | <b>3 months ended</b><br><b>Sep 2018</b> | <b>3 months ended</b><br><b>Sep 2017</b> |
|--|--|--|
| <b>17. PLANT CAPACITY AND PRODUCTION</b> |  |  |
| Theoretical Maximum Output               | 2,650 GWh                                | 2,650 GWh                                |
| Total Output                             | 345 GWh                                  | 1,783 GWh                                |
| Load Factor                              | 13%                                      | 67%                                      |

Practical maximum output for the power plant taking into account all the scheduled outages is 2,236 GWh (Sep 2017: 2,274 GWh). Output produced by the plant is dependent on the load demanded by CPPA-G and the plant availability. During the quarter, load factor was low because of low load demanded by CPPA(G) and plant running out of fuel since September 04, 2018. PSO stopped the oil supplies because of circular debt which were resumed on October 13, 2018.

#### **18. SUBSEQUENT EVENTS**

The final dividend of Rs. 2.80 per share, amounting to Rs. 3,240.032 million for the fiscal year ended June 30, 2018 was approved at the Annual General Meeting held on October 05, 2018. Hence, it will be accounted for in the period in which it is approved.

**19. REPRESENTATION / RECLASSIFICATION**

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

**20. DATE OF AUTHORISATION**

These condensed interim unconsolidated financial statements were authorised for issue on October 26, 2018 in accordance with the resolution of the Board of Directors.

**21. GENERAL**

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



Javed Akbar  
Director



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 FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|   | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|---|------|---|---|
| Turnover  |      | 17,945,907                                | 27,339,933                                |
| Operating costs   | 5    | (13,108,304)                              | (23,162,135)                              |
| <b>GROSS PROFIT</b>   |      | <u>4,837,603</u>                          | <u>4,177,798</u>                          |
| General and administration expenses   |      | (313,505)                                 | (437,534)                                 |
| Other income  |      | 50,931                                    | 33,798                                    |
| Other operating expenses  | 6    | (1,082)                                   | (41,705)                                  |
| <b>PROFIT FROM OPERATIONS</b>   |      | <u>4,573,947</u>                          | <u>3,732,357</u>                          |
| Finance costs   | 7    | (1,322,454)                               | (1,017,018)                               |
| Share of loss from associates   | 9.1  | (60,759)                                  | (44,626)                                  |
| <b>PROFIT BEFORE TAXATION</b>   |      | <u>3,190,734</u>                          | <u>2,670,713</u>                          |
| Taxation  |      | (66,715)                                  | (122,120)                                 |
| <b>PROFIT FOR THE PERIOD</b>  |      | <u><u>3,124,019</u></u>                   | <u><u>2,548,593</u></u>                   |
| Attributable to:  |      |   |   |
| - Owners of the holding company   |      | 2,960,279                                 | 2,383,510                                 |
| - Non-controlling interest  |      | 163,740                                   | 165,083                                   |
|   |      | <u><u>3,124,019</u></u>                   | <u><u>2,548,593</u></u>                   |
| Basic and diluted earnings per share attributable to owners of the holding company (Rupees) |      | <u><u>2.56</u></u>                        | <u><u>2.06</u></u>                        |

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Javed Akbar  
Director

Khalid Mansoor  
Chief Executive

Abdul Nasir  
Chief Financial Officer





**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|  | <b>3 months ended<br/>Sep 2018<br/>(Rs. '000s)</b> | <b>3 months ended<br/>Sep 2017<br/>(Rs. '000s)</b> |
|--|--|--|
| Profit for the period  | 3,124,019  | 2,548,593  |
| <b>Other comprehensive income / (loss) for the period</b>                          |  |  |
| <i>Items that will not be reclassified to profit or loss in subsequent periods</i> |  |  |
| Gain / (loss) on remeasurement of post employment benefit obligations - net        | 32,697   | (25,091)   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                                   | <u>3,156,716</u>                                   | <u>2,523,502</u>                                   |
| Attributable to:   |  |  |
| - Owners of the holding company  | 2,992,976  | 2,358,419  |
| - Non-controlling interest   | 163,740  | 165,083  |
|  | <u>3,156,716</u>                                   | <u>2,523,502</u>                                   |

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Javed Akbar  
Director

Khalid Mansoor  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2018**

|   | Note | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|---|------|--|--------------------------------------|
| <b>ASSETS</b>   |      |  |                                      |
| <b>NON-CURRENT ASSETS</b>   |      |  |                                      |
| Fixed Assets  |      |  |                                      |
| Property, plant and equipment   | 8    | 55,503,768                             | 53,817,768                           |
| Intangibles   |      | 1,467,854                              | 1,477,963                            |
| Long term investments   | 9    | 9,364,809                              | 8,823,879                            |
| Long term deposits and prepayments                                      |      | 35,441                                 | 36,448                               |
|   |      | 66,371,872                             | 64,156,058                           |
| <b>CURRENT ASSETS</b>   |      |  |                                      |
| Stores, spares and consumables  |      | 3,176,844                              | 3,255,501                            |
| Stock-in-trade  |      | 835,564                                | 6,347,109                            |
| Trade debts   | 10   | 97,989,703                             | 98,856,377                           |
| Loans and advances  |      | 186,600                                | 147,327                              |
| Deposits, prepayments and other receivables                             | 11   | 10,554,757                             | 10,588,866                           |
| Cash and bank balances  |      | 3,580,424                              | 2,654,315                            |
|   |      | 116,323,892                            | 121,849,495                          |
| <b>TOTAL ASSETS</b>   |      | 182,695,764                            | 186,005,553                          |
| <b>EQUITY AND LIABILITIES</b>   |      |  |                                      |
| <b>SHARE CAPITAL AND RESERVE</b>  |      |  |                                      |
| <b>Share Capital</b>  |      |  |                                      |
| Authorised  |      | 17,000,000                             | 17,000,000                           |
| Issued, subscribed and paid-up  |      | 11,571,544                             | 11,571,544                           |
| <b>Revenue Reserve</b>  |      |  |                                      |
| Unappropriated profit   |      | 26,875,022                             | 23,878,200                           |
| Attributable to owners of the holding company                           |      | 38,446,566                             | 35,449,744                           |
| <b>NON-CONTROLLING INTEREST</b>   |      | 4,373,000                              | 3,584,186                            |
|   |      | 42,819,566                             | 39,033,930                           |
| <b>NON-CURRENT LIABILITIES</b>  |      |  |                                      |
| Long term loans   |      | 24,519,014                             | 25,287,815                           |
| Liabilities against assets subject to finance lease                     |      | 2,094,121                              | 2,234,388                            |
| <b>CURRENT LIABILITIES</b>  |      |  |                                      |
| Trade and other payables  | 12   | 77,869,349                             | 82,872,983                           |
| Unclaimed dividend  |      | 140,226                                | 140,286                              |
| Unpaid dividend   |      | 134,628                                | 247,281                              |
| Interest / mark-up accrued  |      | 630,923                                | 779,949                              |
| Short term borrowings   |      | 27,720,961                             | 28,804,770                           |
| Current maturity of long term loans                                     |      | 6,362,636                              | 6,214,955                            |
| Current maturity of liabilities against assets subject to finance lease |      | 375,137                                | 366,320                              |
| Taxation-net  |      | 29,203                                 | 22,876                               |
|   |      | 113,263,063                            | 119,449,420                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |      | 182,695,764                            | 186,005,553                          |
| <b>COMMITMENTS AND CONTINGENCIES</b>                                    |      |  |                                      |

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The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

*J. Akbar*

Javed Akbar  
Director

*Khalid Mansoor*

Khalid Mansoor  
Chief Executive

*Abdul Nasir*

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|  | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|------|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |      |   |   |
| Profit before taxation   |      | 3,190,734                                 | 2,670,713                                 |
| Adjustments for:   |      |   |   |
| Depreciation   |      | 1,026,537                                 | 971,098                                   |
| Amortisation   |      | 10,108                                    | 8,827                                     |
| Provision against slow moving stores, spares and consumables     |      | 36,017                                    | 14,670                                    |
| Provision for Workers' profit participation fund                 |      | 324                                       | 39,216                                    |
| (Gain) / loss on disposal of fixed assets                        |      | (1,490)                                   | 2,489                                     |
| Share of loss from associates                                    |      | 60,759                                    | 44,626                                    |
| Staff gratuity   |      | 17,480                                    | 13,473                                    |
| Interest income  |      | (23,873)                                  | (26,839)                                  |
| Interest / mark-up   |      | 1,247,622                                 | 958,259                                   |
| Amortisation of transaction costs                                |      | 21,866                                    | 27,891                                    |
| Operating profit before working capital changes                  |      | <u>5,586,084</u>                          | <u>4,724,423</u>                          |
| Working capital changes  |      | 35,662                                    | 752,138                                   |
| Cash generated from operations                                   |      | <u>5,621,746</u>                          | <u>5,476,561</u>                          |
| Interest income received   |      | 16,259                                    | 21,110                                    |
| Interest / mark-up paid  |      | (1,396,648)                               | (1,139,562)                               |
| Workers' profit participation fund paid                          |      | (935,191)                                 | -   |
| Staff gratuity paid  |      | (32,245)                                  | (20,722)                                  |
| Taxes paid   |      | (68,267)                                  | (120,417)                                 |
| Net cash generated from operating activities                     |      | <u>3,205,654</u>                          | <u>4,216,970</u>                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |      |   |   |
| Fixed capital expenditure  |      | (140,194)                                 | (104,338)                                 |
| Proceeds from disposal of fixed assets                           |      | 1,662                                     | 3,967                                     |
| Long term investments made                                       |      | (601,689)                                 | (96,812)                                  |
| Increase in long term deposits and prepayments                   |      | 1,007                                     | 2,662                                     |
| Net cash used in investing activities                            |      | <u>(739,214)</u>                          | <u>(194,521)</u>                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |      |   |   |
| Dividends paid to owners of the holding company                  |      | (112,713)                                 | (932,291)                                 |
| Dividends paid to non controlling interest                       |      | -   | (174,311)                                 |
| Proceeds from long term loans                                    |      | 959,589                                   | 1,128,423                                 |
| Repayment of long term loans                                     |      | (1,746,323)                               | (1,575,646)                               |
| Proceeds against issuance of shares to non controlling interest  |      | 638,106                                   | -   |
| Repayment of liabilities against assets subject to finance lease |      | (185,995)                                 | (159,660)                                 |
| Shares issue costs   |      | (9,186)                                   | -   |
| Net cash used in financing activities                            |      | <u>(456,522)</u>                          | <u>(1,713,485)</u>                        |
| Net increase in cash and cash equivalents                        |      | 2,009,918                                 | 2,308,964                                 |
| Cash and cash equivalents at the beginning of the period         |      | (26,150,455)                              | (20,986,204)                              |
| Cash and cash equivalents at the end of the period               | 16   | <u>(24,140,537)</u>                       | <u>(18,677,240)</u>                       |

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

*J. Akbar*

Javed Akbar  
Director

*Khalid Mansoor*

Khalid Mansoor  
Chief Executive

*Abdul Nasir*

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018**

|  | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|---|---|
| <b>ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY</b> |   |   |
| <b>ISSUED CAPITAL</b>                                |   |   |
| Balance at the beginning of the period               | 11,571,544                                | 11,571,544                                |
| Balance at the end of the period                     | <u>11,571,544</u>                         | <u>11,571,544</u>                         |
| <b>UNAPPROPRIATED PROFIT</b>                         |   |   |
| Balance at the beginning of the period               | 23,878,200                                | 21,059,945                                |
| Profit for the period                                | 2,960,279                                 | 2,383,510                                 |
| Other comprehensive income / (loss) for the period   | 32,697                                    | (25,091)                                  |
| <b>Total comprehensive income for the period</b>     | 2,992,976                                 | 2,358,419                                 |
| Share issue costs                                    | (8,871)                                   | (2,840)                                   |
| Disposal of partial interest in TEL                  | 12,717                                    | -   |
| Balance at the end of the period                     | <u>26,875,022</u>                         | <u>23,415,524</u>                         |
| Attributable to owners of the holding company        | <u>38,446,566</u>                         | <u>34,987,068</u>                         |
| <b>NON-CONTROLLING INTEREST</b>                      |   |   |
| Balance at the beginning of the period               | 3,584,186                                 | 2,367,012                                 |
| Total comprehensive income for the period            | 163,740                                   | 165,083                                   |
| Dividend paid  | -   | (174,311)                                 |
| Investment made                                      | 638,106                                   | -   |
| Disposal of partial interest in TEL                  | (12,717)                                  | -   |
| Share issue costs                                    | (315)                                     | -   |
| Balance at the end of the period                     | <u>4,373,000</u>                          | <u>2,357,784</u>                          |
| <b>TOTAL EQUITY</b>                                  | <u>42,819,566</u>                         | <u>37,344,852</u>                         |

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

Javed Akbar  
Director

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 FIRST QUARTER ENDED SEPTEMBER 30, 2018**

**1. STATUS AND NATURE OF BUSINESS**

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

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

**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%.

**Associate:**

- China Power Hub Generation Company (Private) Limited (CPHGC) - Holding of 26%.

**2. BASIS OF PREPARATION**

These unaudited condensed interim consolidated financial statements of the holding company for the first quarter ended September 30, 2018 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;
- 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, 2018.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation followed for the preparation of these condensed interim consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2018.

**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 holding company's annual consolidated financial statements for the year ended June 30, 2018. The Group's financial risk management objectives and policies are consistent with those disclosed in the holding company's annual audited consolidated financial statements for the year ended June 30, 2018.

|  | Note | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|--|------|---|---|
| <b>5. OPERATING COSTS</b>  |      |   |   |
| Fuel cost  |      | 10,732,427                                | 20,495,901                                |
| Water use charges  |      | 20,618                                    | 30,547                                    |
| Salaries, benefits and other allowances  |      | 346,539                                   | 327,836                                   |
| Stores and spares  |      | 238,401                                   | 518,557                                   |
| Operation and maintenance  |      | -   | 83,917                                    |
| Insurance  |      | 238,090                                   | 198,862                                   |
| Depreciation   |      | 1,012,193                                 | 956,632                                   |
| Amortisation   |      | 8,386                                     | 7,060                                     |
| Repairs, maintenance and other costs   |      | 511,650                                   | 542,823                                   |
|  |      | <u>13,108,304</u>                         | <u>23,162,135</u>                         |
| <b>6. OTHER OPERATING EXPENSES</b>   |      |   |   |
| Loss on disposal of fixed assets - net   |      | -   | 2,489                                     |
| Exchange loss  |      | 758                                       | -   |
| Workers' profit participation fund   | 6.1  | 324                                       | 39,216                                    |
|  |      | <u>1,082</u>                              | <u>41,705</u>                             |
| <b>6.1 Workers' profit participation fund</b>  |      |   |   |
| Provision for Workers' profit participation fund   |      | 122,671                                   | 137,299                                   |
| Workers' profit participation fund recoverable from CPPA-G / NTDC  |      | (122,347)                                 | (98,083)                                  |
|  |      | <u>324</u>                                | <u>39,216</u>                             |
| <p>The holding company and NEL are required to pay 5% of its profit to the Workers' profit participation fund (the "Fund"). The holding company and NEL are entitled to claim majority of this expense from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) / National Transmission and Despatch Company Limited (NTDC) as a pass through item.</p> |      |   |   |
| <b>7. FINANCE COSTS</b>  |      |   |   |
| Interest / mark-up on long term loans  |      | 623,487                                   | 515,987                                   |
| Interest on finance lease  |      | 46,505                                    | 38,983                                    |
| Mark-up on short term borrowings   |      | 577,630                                   | 403,289                                   |
| Amortisation of transaction costs  |      | 21,866                                    | 27,891                                    |
| Other finance costs  |      | 52,966                                    | 30,868                                    |
|  |      | <u>1,322,454</u>                          | <u>1,017,018</u>                          |

|   | Note | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|---|------|--|--------------------------------------|
| <b>8. PROPERTY, PLANT AND EQUIPMENT</b> |      |  |                                      |
| Operating property, plant and equipment |      | 48,767,560                             | 49,492,686                           |
| Capital work-in-progress                |      |  |                                      |
| Holding company                         |      | 41,591                                 | 108,375                              |
| NEL                                     |      | 49,825                                 | 49,681                               |
| LEL                                     |      | 3,628                                  | 3,628                                |
| TEL                                     |      | 6,641,164                              | 4,163,398                            |
|   |      | 6,736,208                              | 4,325,082                            |
|   | 8.1  | <u>55,503,768</u>                      | <u>53,817,768</u>                    |

8.1 Additions to property, plant and equipment during the period were Rs. 140 million and disposals therefrom at net book value were Rs. 0.17 million.

|  | Note | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|--|------|--|--------------------------------------|
| <b>9. LONG TERM INVESTMENTS</b>  |      |  |                                      |
| <b>Associate - unquoted</b>  |      |  |                                      |
| Investment in China Power Hub Generation Company (Private) Limited - CPHGC           | 9.1  | 8,253,294                              | 7,880,953                            |
| <b>Others - unquoted</b>   |      |  |                                      |
| Equity security available-for-sale - Sindh Engro Coal Mining Company Limited (SECMC) |      | 1,111,515                              | 942,926                              |
|  |      | <u>9,364,809</u>                       | <u>8,823,879</u>                     |
| <b>9.1 Investment in China Power Hub Generation Company (Private) Limited</b>        |      |  |                                      |
| Opening balance  |      | 7,880,953                              | 1,318,390                            |
| Investment made during the period / year   |      | 433,100                                | 6,858,669                            |
| Less: Share of loss from associate   |      | (60,759)                               | (280,075)                            |
| Less: Group's share in share issue cost  |      | -                                      | (16,031)                             |
| Closing balance  |      | <u>8,253,294</u>                       | <u>7,880,953</u>                     |

#### 10. TRADE DEBTS - Secured

|                 |      |                   |                   |
|-----------------|------|-------------------|-------------------|
| Considered good | 10.1 | <u>97,989,703</u> | <u>98,856,377</u> |
|-----------------|------|-------------------|-------------------|

10.1 These receivables include an overdue amount of Rs. 73,643 million (June 2018: Rs. 74,073 million) from CPPA-G and Rs. 11,530 million (June 2018: Rs. 10,529 million) from NTDC. These are not impaired because the trade debts are secured by a guarantee from the Government of Pakistan under Implementation Agreements.

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

**Sep 2018**  
**(Rs. '000s)**  
**(Unaudited)**

**Jun 2018**  
**(Rs. '000s)**  
**(Audited)**

### 11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

|   | 700,409           | 54,534            |
|---|-------------------|-------------------|
| Prepayments   |                   |                   |
| Other receivables   |                   |                   |
| Interest accrued  | 12,979            | 5,366             |
| Income tax - refundable   | 1,912,347         | 1,912,347         |
| Sales tax   | 6,610,055         | 7,410,778         |
| Receivable from CPHGC   | 69,389            | 62,342            |
| Advance tax   | 130,004           | 195,754           |
| Receivable from China Energy Karachi (CEK)                        | 21,036            | -                 |
| Staff retirement benefits - staff gratuity                        | 28,171            | -                 |
| Workers' profit participation fund recoverable from CPPA-G / NTDC | 1,054,013         | 931,991           |
| Miscellaneous   | 16,354            | 15,754            |
|   | 9,854,348         | 10,534,332        |
|   | <u>10,554,757</u> | <u>10,588,866</u> |

### 12. TRADE AND OTHER PAYABLES

This includes Rs. 70,001 million (June 2018: Rs. 76,943 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 66,256 million (June 2018: Rs. 69,758 million).

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

### 13. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of contingencies and commitments as disclosed in the annual consolidated financial statements of the holding company for the year ended June 30, 2018.



#### 14. SEGMENT INFORMATION

##### 14.1 SEGMENT ANALYSIS

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

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

|                                     | 3 months ended Sep 2018 |                                      |                |                                  |                  |                 | Total            |
|-------------------------------------|-------------------------|--------------------------------------|----------------|----------------------------------|------------------|-----------------|------------------|
|                                     | Hub plant               | Power Generation<br>Narowal<br>plant | Laraib plant   | Operations<br>and<br>Maintenance | Unallocated      | Eliminations    |                  |
|                                     | (Rs. '000s)             |                                      |                |                                  |                  |                 |                  |
| Turnover                            | 10,690,053              | 5,906,869                            | 1,349,050      | 566,397                          | -                | (566,462)       | 17,945,907       |
| Operating costs                     | (8,282,006)             | (4,586,617)                          | (414,247)      | (381,993)                        | -                | 556,559         | (13,108,304)     |
| <b>GROSS PROFIT</b>                 | <b>2,408,047</b>        | <b>1,320,252</b>                     | <b>934,803</b> | <b>184,404</b>                   | <b>-</b>         | <b>(9,903)</b>  | <b>4,837,603</b> |
| General and administration expenses | (179,187)               | (18,691)                             | (27,823)       | (43,991)                         | (43,813)         | -               | (313,505)        |
| Other income                        | 4,240                   | 1,203                                | 16,139         | 23,118                           | 12,723           | (6,492)         | 50,931           |
| Other operating expenses            | (758)                   | -                                    | -              | -                                | (324)            | -               | (1,082)          |
| <b>PROFIT FROM OPERATIONS</b>       | <b>2,232,342</b>        | <b>1,302,764</b>                     | <b>923,119</b> | <b>163,531</b>                   | <b>(31,414)</b>  | <b>(16,395)</b> | <b>4,573,947</b> |
| Finance costs                       | (421,999)               | (354,724)                            | (228,419)      | (51)                             | (317,261)        | -               | (1,322,454)      |
| Share of loss from associates       | -                       | -                                    | -              | -                                | (60,759)         | -               | (60,759)         |
| <b>PROFIT BEFORE TAXATION</b>       | <b>1,810,343</b>        | <b>948,040</b>                       | <b>694,700</b> | <b>163,480</b>                   | <b>(409,434)</b> | <b>(16,395)</b> | <b>3,190,734</b> |
| Taxation                            | -                       | (349)                                | (2,940)        | (55,459)                         | (7,967)          | -               | (66,715)         |
| <b>PROFIT FOR THE YEAR</b>          | <b>1,810,343</b>        | <b>947,691</b>                       | <b>691,760</b> | <b>108,021</b>                   | <b>(417,401)</b> | <b>(16,395)</b> | <b>3,124,019</b> |

|                                     | 3 months ended Sep 2017 |                                      |                |                                  |                |                  | Total            |
|-------------------------------------|-------------------------|--------------------------------------|----------------|----------------------------------|----------------|------------------|------------------|
|                                     | Hub plant               | Power Generation<br>Narowal<br>plant | Laraib plant   | Operations<br>and<br>Maintenance | Unallocated    | Eliminations     |                  |
|                                     | (Rs. '000s)             |                                      |                |                                  |                |                  |                  |
| Turnover                            | 21,573,670              | 4,497,216                            | 1,275,231      | 560,859                          | -              | (567,043)        | 27,339,933       |
| Operating costs                     | (19,326,675)            | (3,655,023)                          | (382,758)      | (354,819)                        | -              | 557,140          | (23,162,135)     |
| <b>GROSS PROFIT</b>                 | <b>2,246,995</b>        | <b>842,193</b>                       | <b>892,473</b> | <b>206,040</b>                   | <b>-</b>       | <b>(9,903)</b>   | <b>4,177,798</b> |
| General and administration expenses | (290,860)               | (40,834)                             | (31,383)       | (42,437)                         | (32,020)       | -                | (437,534)        |
| Other income                        | 8,748                   | 714                                  | 11,282         | 3,547                            | 799,908        | (790,401)        | 33,798           |
| Other operating expenses            | (3,809)                 | -                                    | -              | (7)                              | (37,889)       | -                | (41,705)         |
| <b>PROFIT FROM OPERATIONS</b>       | <b>1,961,074</b>        | <b>802,073</b>                       | <b>872,372</b> | <b>167,143</b>                   | <b>729,999</b> | <b>(800,304)</b> | <b>3,732,357</b> |
| Finance costs                       | (352,157)               | (339,873)                            | (210,735)      | (18)                             | (114,235)      | -                | (1,017,018)      |
| Share of loss from associates       | -                       | -                                    | -              | -                                | (44,626)       | -                | (44,626)         |
| <b>PROFIT BEFORE TAXATION</b>       | <b>1,608,917</b>        | <b>462,200</b>                       | <b>661,637</b> | <b>167,125</b>                   | <b>571,138</b> | <b>(800,304)</b> | <b>2,670,713</b> |
| Taxation                            | -                       | (214)                                | (2,624)        | (52,448)                         | (66,834)       | -                | (122,120)        |
| <b>PROFIT FOR THE YEAR</b>          | <b>1,608,917</b>        | <b>461,986</b>                       | <b>659,013</b> | <b>114,677</b>                   | <b>504,304</b> | <b>(800,304)</b> | <b>2,548,593</b> |

##### 14.2 SEGMENT ASSETS & LIABILITIES

|                    | As at Sep 30, 2018 |                                      |                   |                                  |                   |                     | Total              |
|--------------------|--------------------|--------------------------------------|-------------------|----------------------------------|-------------------|---------------------|--------------------|
|                    | Hub plant          | Power Generation<br>Narowal<br>plant | Laraib plant      | Operations<br>and<br>Maintenance | Unallocated       | Eliminations        |                    |
|                    | (Rs. '000s)        |                                      |                   |                                  |                   |                     |                    |
| <b>Assets</b>      | <b>108,647,433</b> | <b>34,335,896</b>                    | <b>21,535,944</b> | <b>412,190</b>                   | <b>38,133,966</b> | <b>(20,369,665)</b> | <b>182,695,764</b> |
| <b>Liabilities</b> | <b>94,504,256</b>  | <b>18,072,684</b>                    | <b>10,760,298</b> | <b>261,039</b>                   | <b>18,218,071</b> | <b>(1,940,150)</b>  | <b>139,876,198</b> |

  

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

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

## 15. RELATED PARTY TRANSACTIONS AND BALANCES

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

### 15.1 Details of Transactions

|   | Note            | 3 months ended<br>Sep 2018<br>(Rs. '000s) | 3 months ended<br>Sep 2017<br>(Rs. '000s) |
|---|-----------------|---|---|
| <b>Associate</b>  |                 |   |   |
| Proceeds from disposal of land to CPHGC                   |                 | -   | 189,341                                   |
| Loss on disposal of land to CPHGC                         |                 | -   | 3,842                                     |
| Income under shared facilities agreement from CPHGC       |                 | 7,799                                     | 493                                       |
| Reimbursable expenses incurred on behalf of CPHGC by HPHL |                 | -   | 2,519                                     |
| <b>Other related parties</b>                              |                 |   |   |
| Remuneration to key management personnel                  |                 |   |   |
| Salaries, benefits and other allowances                   |                 | 78,246                                    | 174,546                                   |
| Retirement benefits                                       |                 | 3,079                                     | 2,080                                     |
|   | 15.1.1 & 15.1.3 | 81,325                                    | 176,626                                   |
| Directors' fee  | 15.1.2          | 2,100                                     | 3,700                                     |
| Contribution to staff retirement benefit plans            |                 | 42,242                                    | 38,080                                    |

15.1.1 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.

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

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

### 15.2 Details of Outstanding Balances

|   | Sep 2018<br>(Rs. '000s)<br>(Unaudited) | Jun 2018<br>(Rs. '000s)<br>(Audited) |
|---|--|--------------------------------------|
| <b>Associate</b>                              |  |                                      |
| Receivable from CPHGC                         | 69,389                                 | 41,826                               |
| <b>Other related parties</b>                  |  |                                      |
| Payable to staff retirement benefit plans     | 26,852                                 | 35,164                               |
| Receivable from staff retirement benefit plan | 28,171                                 | -                                    |
| Loan to key management personnel              | -                                      | 2,191                                |



3 months ended  
Sep 2018  
(Rs. '000s)

3 months ended  
Sep 2017  
(Rs. '000s)

#### 16. CASH AND CASH EQUIVALENTS

|                                     |                     |                     |
|-------------------------------------|---------------------|---------------------|
| Cash and bank balances              | 3,580,424           | 2,960,214           |
| Finances under mark-up arrangements | (27,720,961)        | (21,637,454)        |
|                                     | <u>(24,140,537)</u> | <u>(18,677,240)</u> |

#### 17. SUBSEQUENT EVENT

The final dividend of Rs. 2.80 per share, amounting to Rs. 3,240.032 million for the fiscal year ended June 30, 2018 was approved at the Annual General Meeting of the holding company held on October 05, 2018. Hence, it will be accounted for in the period in which it is approved.

#### 18. REPRESENTATION / RECLASSIFICATION

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

#### 19. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on October 26, 2018 in accordance with the resolution of the Board of Directors of the holding company.

#### 20. GENERAL

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

Javed Akbar  
Director

Khalid Mansoor  
Chief Executive

Abdul Nasir  
Chief Financial Officer

## ڈائریکٹرز رپورٹ بسلسلہ انضمام شدہ، غیر انضمام شدہ مالی گوشوارے برائے پہلی سہ ماہی ختمہ 30 ستمبر، 2018ء

کمپنی کا بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر، 2018ء کو ختم ہونے والی سہ ماہی کے لیے انضمام شدہ، غیر انضمام شدہ اور غیر آڈٹ شدہ مالی گوشوارے پیش کرتا ہے۔

### کمپنی کے بارے میں

حب پاور کمپنی لمیٹڈ پاکستان میں بجلی پیدا کرنے والی پہلی خود مختار (Independent Power Producer) کمپنی ہے جس کی بجلی پیدا کرنے کی کل گنجائش 1600 میگا واٹ سے زیادہ ہے۔ کمپنی کاربائیڈول فیول آئل (RFO) سے چلنے اور حرارتی بجلی پیدا کرنے والا پلانٹ بلوچستان کے علاقہ حب کے موضع کند (Village Kund) میں قائم ہے اور نیشنل گرڈ کو 1200 میگا واٹ قابل بھروسہ اور بلا تعطل بجلی فراہم کرتا ہے۔

کمپنی کے کل ملکیتی ادارے، نارووال انرجی لمیٹڈ (NEL) کی ملکیت میں بھی ایک 225 میگا واٹ بجلی کرنے والا، نارووال پاور پلانٹ ہے۔ نارووال میں واقع یہ پلانٹ ریزائیڈول فیول آئل (RFO) سے چلنے والے انجن پر مشتمل ہے اور کبائٹ سائیکل پاور اسٹیشن ہے جو پنجاب کے ضلع تحصیل نارووال کے دیہات موضع پونگ (Village Poong) میں قائم ہے۔

مزید برآں، کمپنی کے لاریب انرجی لمیٹڈ (LEL) میں بھی 75 فیصد کنٹرولنگ حصص ہیں جو پانی سے 84 میگا واٹ بجلی پیدا کرنے والے پلانٹ کی مالک ہے۔ یہ پلانٹ آزاد جموں و کشمیر میں منگلا ڈیم سے 8 کلومیٹر کے فاصلہ پر نشیب میں نیو بونگ کی جانب اخراج (New Bong Escape) پر قائم ہے۔

کمپنی نے کل ملکیتی ادارے بھی قائم کیے ہیں تاکہ نئے اقدامات پر عمل درآمد کیا جاسکے۔ کمپنی نے، منسلکہ جیٹی (jetty) سمیت، درآمد شدہ کونکے سے چلنے والے 1320 میگا واٹ پاور پروجیکٹ میں سرمایہ کاری اور مستقبل میں کیے جانے والے دیگر ترقیاتی اقدامات پر عمل درآمد کی غرض سے حب پاور ہولڈنگز لمیٹڈ (HPHL) قائم کی ہے، جس کی معرفت سے اور میسرز چائنا پاور انٹرنیشنل ہولڈنگز (CPIH) کے اشتراک سے کمپنی نے چائنا پاور حب جنریشن کمپنی (پرائیویٹ) لمیٹڈ (CPHGC) قائم کی ہے۔

حب پاور سروسز لمیٹڈ (HPSL) بھی ایک کل ملکیتی ذیلی ادارہ ہے جو کمپنی کے موجودہ پاور اثاثوں، مستقبل کے پروجیکٹس اور اندرون ملک و بیرون ملک کام و انتظام (Operations & Maintenance) نیز دیگر ایسے ہی مواقع تلاش کرنے کے لیے قائم کیا گیا ہے۔

حب پاور سروسز لمیٹڈ (HPSL)، اس وقت کمپنی کے حب، لاریب اور ناروال پلانٹس چلاتی ہے۔

کمپنی نے ایک اور ذیلی ادارہ تھرانرجی لمیٹڈ (Thar Energy Limited) قائم کیا ہے جس کا مقصد تھر کول بلاک II، سندھ، میں کان کے دہانے (mine mouth) پر 330 میگا واٹ کے پلانٹ کا قیام ہے۔ کمپنی نے پروجیکٹ میں بالترتیب 30% اور 10% کے تناسب سے سرمایہ کاری کے لیے فوجی فریڈلر کمپنی لمیٹڈ (FFCL) اور CMEC ٹیل پاور انویسٹمنٹس لمیٹڈ (CMEC Dubai) کے ساتھ شیئر ہولڈرز ایگریمنٹ کیا ہے۔

کمپنی سندھ اینیگر کول مائننگ کمپنی لمیٹڈ (SECMC) میں بھی 20 ملین امریکی ڈالر کی سرمایہ کاری کر رہی ہے۔ جو اینیگر کول تھل لمیٹڈ، حبیب بینک لمیٹڈ، چائنا مشینری انجینئرنگ کمپنی (CMEC) اور حکومت سندھ کا مشترکہ پروجیکٹ ہے۔ اس پروجیکٹ کا مقصد تھر کے مقام پر کولے کی ایک کان کو ترقی دینا ہے جو دنیا میں کولے کا ساتواں بڑا ذخیرہ ہے۔

## مالی جھلکیاں

زیر جائزہ عرصہ کے لیے گروپ کی انضمام شدہ مالی جھلکیاں درج ذیل ہیں:

| سہ ماہی ختم ہونے پر 30 ستمبر، 2017ء | سہ ماہی ختم ہونے پر 30 ستمبر، 2018ء | روپے ملین میں |
|-------------------------------------|-------------------------------------|---------------|
| 27,340                              | 17,946                              | ٹران اور      |
| 23,162                              | 13,108                              | آپریٹنگ لاگت  |
| 2,384                               | 2,960                               | خالص منافع*   |
| 2.06                                | 2.56                                | آمدنی فی حصص* |

\* ہولڈنگ کمپنی کے ماکان سے منسوب

زیر جائزہ عرصہ کے دوران انضمام شدہ خالص منافع 2,960 ملین روپے تھا جس کے نتیجے میں فی حصص آمدنی 2.56 روپے رہی جب کہ گزشتہ برس اسی عرصہ کے دوران مجموعی خالص منافع 2,384 ملین روپے تھا اور فی حصص آمدنی 2.06 روپے تھی۔ منافع میں اضافہ کی بنیادی وجہ ناروال پلانٹ کی مرمت اور دیکھ بھال (repair & maintenance) کے اخراجات میں کمی تھی جنہیں جزوی طور پر بلند انتظامی اخراجات کی صورت میں پورا کیا گیا۔

زیر جائزہ سال کے دوران کمپنی کی غیر انضمام شدہ مالی جھلکیاں درج ذیل ہیں:

سہ ماہی تختہ 30 ستمبر، 2018ء      سہ ماہی تختہ 30 ستمبر، 2017ء

ملین روپے میں

|        |        |               |
|--------|--------|---------------|
| 10,690 | 21,574 | ٹرن اوور      |
| 8,282  | 19,327 | آپریٹنگ لاگت  |
| 1,493  | 2,181  | خالص منافع*   |
| 1.29   | 1.88   | آمدنی فی حصص* |

مؤرخہ 30 ستمبر، 2018ء کو ختم ہونے والی سہ ماہی کے دوران کمپنی کا حاصل کردہ غیر انضمام شدہ خالص منافع 1,493 ملین روپے رہا جس کے نتیجے میں فی حصص آمدنی 1.29 روپے رہی جب کہ گزشتہ برس، اسی عرصہ کے دوران، غیر انضمام شدہ خالص منافع 2,181 ملین روپے اور فی حصص آمدنی 1.88 روپے تھی۔ منافع میں کمی کی بنیادی وجہ ذیلی اداروں سے حاصل ہونے والے منافع میں کمی تھی جسے جزوی طور پر انتظامی اخراجات (administrative expenses) میں کمی کے ذریعہ پورا کیا گیا۔

## آپریٹنگ جھلکیاں

زیر جائزہ عرصہ کے لیے ہمارے پلانٹس کی آپریٹنگ جھلکیاں درج ذیل ہیں:

یونٹس      سہ ماہی تختہ 30 ستمبر، 2018ء      سہ ماہی تختہ 30 ستمبر، 2017ء

| حب پلانٹ      |      |             |
|---------------|------|-------------|
| 345           | 1783 | GWh پیداوار |
| 13            | 68   | % لوڈ فیکٹر |
| نارووال پلانٹ |      |             |
| 306           | 322  | GWh پیداوار |
| 65            | 68   | % لوڈ فیکٹر |
| لاریب پلانٹ   |      |             |
| 58            | 93   | GWh پیداوار |
| 31            | 50   | % لوڈ فیکٹر |

## حب پلانٹ

زیر جائزہ سہ ماہی کے دوران، پلانٹ نے اوسطاً 13% لوڈ فیکٹر کے ساتھ کام کیا (18-2017ء کی پہلی سہ ماہی کے دوران لوڈ فیکٹر 68% تھا) جبکہ دستیاب گنجائش کا لوڈ فیکٹر 84% (18-2017ء کی پہلی سہ ماہی کے دوران لوڈ فیکٹر 80%) تھا۔ واپڈا کو 345GWh بجلی فروخت کی گئی جب کہ گزشتہ سال، اسی عرصہ کے دوران 1783GWh بجلی فروخت کی گئی تھی۔ سہ ماہی کے دوران

پیداوار کم رہی جس کی وجہ سینٹرل پاور پراجیکٹنگ ایجنسی (گارنٹی) کی جانب سے لوڈ کی طلب میں کمی اور 04 ستمبر، 2018ء کے دن ایندھن کی عدم دستیابی کے باعث پلانٹ کی بندش تھی۔ پی ایس او نے گزشتہ قرض کے باعث ایندھن کی فراہمی روک دی تھی جو بعد ازاں 13 اکتوبر، 2018ء کو بحال ہوئی۔

کمپنی کی قانونی حیثیت کے بارے میں سینٹرل پاور پراجیکٹنگ ایجنسی (گارنٹی) کو مطلع کر دیا گیا ہے اور یہ اطلاع بھی دے دی گئی ہے کہ حب پلانٹ کی بندش (G) CPPA کی جانب سے حبکو کو واجب الادا قیوم کی عدم ادائیگی اور، پاور پراجیکٹنگ ایجنسی کے تحت، حبکو کے حق میں اسٹینڈ بائی لیٹر آف کریڈٹ (SBLC) جاری نہ کرنے کا نتیجہ تھی اور یہ بھی کہ کسی بھی قسم کے نقصانات، دعوے، اور/یا اس سلسلے میں ہونے والے کسی بھی قسم کے ہرجانے کی ذمہ داری، خطرہ اور جوابدہ صرف اور صرف (G) CPPA کے ذمہ ہے۔

#### نارووال پلانٹ

سہ ماہی کے دوران نارووال پلانٹ کا نیٹ الیکٹریکل آؤٹ پٹ (NEO) 306 GWh اور لوڈ فیکٹر %65 تھا جبکہ 2017-18ء کی پہلی ماہی کے دوران پیداوار 322 GWh تھی اور لوڈ فیکٹر %68 تھا۔ سہ ماہی کے دوران سالانہ انحصار پذیری کی صلاحیت (Annual Dependability Capacity) کا ٹیسٹ کامیابی سے انجام دیا گیا جس میں Complex لوڈ فیکٹر 215.44 میگا واٹ حاصل ہوا جب کہ ابتدائی طور پر اعلان کردہ صلاحیت 213.820 میگا واٹ اور لوڈ فیکٹر %100.64 تھا۔

#### لاریب پلانٹ

سہ ماہی کے دوران پلانٹ نے 58 GWh بجلی پیدا کی اور لوڈ فیکٹر %31 تھا جبکہ پاور پراجیکٹنگ ایجنسی (PPA) میں ٹوٹل لوڈ فیکٹر %64 کے ساتھ 118 GWh کی منصوبہ بندی کی گئی تھی۔ پیداوار میں کمی کی وجہ پوری سہ ماہی کے دوران پلانٹ کو آبی وسائل (hydrology) کی دستیابی میں کمی تھی۔ سہ ماہی کے دوران پلانٹ نے %100 دستیابی (Availability) اور %100 قابل بھروسہ (Reliability) کا ہدف حاصل کیا جب کہ کسی قسم کی جبری بندش کا سامنا بھی نہیں کرنا پڑا۔ مختلف یونٹوں کی ماہانہ دیکھ بھال کا کام موقع کی مناسبت سے انجام دیا گیا۔

### مستقبل کے ترقیاتی پروجیکٹس میں سرمایہ کاری

#### 1,320MW چائنا پاور حب جنریشن کمپنی پرائیویٹ لمیٹڈ (CPHGC)

پروجیکٹ کے مالی معاملات (financial close) 26 جنوری، 2018ء کو مکمل ہوئے جس کے بعد سرمائے کا استعمال بھی شروع ہو چکا ہے۔ اگست 2019ء میں COD کے حصول کی غرض سے منصوبہ کے مطابق پیشرفت کر رہا ہے۔ کمپنی نے شیئر ہولڈرز ایگریمنٹ کے مطابق اپنا کال آپشن (Option Call) استعمال کرنے کے بعد پروجیکٹ میں اپنی شراکت (shareholding) بڑھا کر 47.5 فیصد تک کرنے کے لیے پروسیس کا آغاز کر دیا ہے۔ توقع ہے کہ مالی معاملات کی تکمیل (financial close) کا عمل سنہ

2019ء کی پہلی سہ ماہی تک مکمل ہو جائے گا جو پاکستانی ریگولیٹری/کارپوریٹ منظوری سے مشروط ہے۔

### 330MW تھرانزجی لمیٹڈ (TEL)

تھرانزجی لمیٹڈ (TEL) تھر بلاک II میں کان کے دہانے (mouth mine) پر کونسلے سے چلنے والا پاور پلانٹ قائم کر رہا ہے۔ اس مقصد سے کمپنی نے فوجی فریٹلائزر کمپنی لمیٹڈ (FFCL) اور سی ایم ای سی ٹیل پاور انویسٹمنٹ لمیٹڈ (CMEC Dubai) کے ساتھ، بالترتیب 30% اور 10% کے تناسب سے، پروجیکٹ میں سرمایہ کاری کے معاہدے کیے ہیں۔ فوجی فریٹلائزر اور سی ایم ای سی ڈی کمپنی میں پہلے ہی سرمایہ کاری کر چکے ہیں۔

تھرانزجی لمیٹڈ، آف شور سپلائی ایگریمنٹ (Offshore Supply Agreement) کے تحت، پہلے موبلائزیشن ایڈوانس (Firmst Mobilization Advance) کی ادائیگی بھی کر چکا ہے۔ کمپنی چائینز ڈیولپمنٹ بینک اور من شیا بینک (Minsheng Bank) کے ساتھ بھی غیر ملکی قرضوں کے کنسورٹیم (foreign lending consortium) کے لیے معاملات کو حتمی شکل دے چکا ہے۔ اس کنسورٹیم لیڈ فارن بینک چائینز ڈیولپمنٹ بینک ہے۔

مؤرخہ مارچ، 2019ء تک مالی معاملات کو حتمی شکل (Financial Close) دینے کے لیے توسیع کی غرض سے کمپنی نے پرائیویٹ پاور انفراسٹرکچر بورڈ (PPIB) کو درخواست دے دی ہے جس کے جواب کا انتظار ہے۔

### سندھ اینگروکول مائننگ کمپنی (SECMC)

اپریل 2016ء میں مالی معاملات کے حتمی شکل اختیار کرنے کے بعد پروجیکٹ کے مالی معاملات (financial close) تسلی بخش انداز میں کام جاری ہے اور کمپنی نے حال ہی میں کونسلے کی پہلی تہہ (tranche) کو کھدائی کا کام مکمل کر لیا ہے۔ اس پروجیکٹ میں کمپنی مفاد (stake) 8 فیصد ہے اور یہ اپنے مقررہ وقت سے چار ماہ آگے ہے۔ توقع ہے کہ اس پروجیکٹ سے جون 2019ء تک پیداوار شروع ہو جائیگی۔ سندھ اینگروکول مائننگ کمپنی (SECMC) اپنی کانگنی کی گنجائش کو بڑھا کر سالانہ 7.6 میٹرک ٹن کرنے کا ارادہ رکھتی ہے تاکہ تھرانزجی لمیٹڈ (حبکو) اور تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (ہاؤس آف حبیب) کی جانب سے قائم کیے جانے والے 330MW کے دو اضافی پلانٹس کی ضرورت بھی پورا کر سکے۔ کمپنی اپنے دوسرے فیز کے لیے بھی مالی معاملات (financial close) کو 31 دسمبر، 2018ء تک مکمل کر لینے کا ارادہ رکھتی ہے۔

### تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (TNPTL)

کمپنی نے، اپنی 100% ملکیتی ذیلی کمپنی، حب پاور ہولڈنگ لمیٹڈ (HPHL) کی معرفت، تھل نووا (ThalNova) کے حصص میں سے 38.3 فیصد حصص کے حصول کی غرض سے تھل پاور (پرائیویٹ) لمیٹڈ، نووا پاور جین لمیٹڈ اور تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ کے ساتھ ایک شیئر ہسپنڈیشن ایگریمنٹ (SSA) کیا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے، انضباطی اداروں سے منظور یوں کی شرط کے ساتھ، 26 اکتوبر، 2018ء کو اس حصول کی منظوری دے دی ہے۔



## خطرات کا بندوبست اور کم کرنے کے لیے حکمت عملی

ہر کاروباری ادارے کو جن خطرات اور بے یقینی کے خاتمہ رہتا ہے وہ اس کے مفادات کو متاثر بھی کر سکتے ہیں، ان کے خاتمے کے لیے، کمپنی دانشمندانہ اور محتاط اصولوں پر عمل کر رہی ہے۔ کمپنی کا مقصد تمام طویل المیعاد اور قلیل المیعاد خطرات کی نشاندہی کرنا، ان پر قابو پانا اور انہیں ختم کرنا ہے۔

کمپنی اپنے لیے جن ٹھوس خطرات کو محسوس کرتی ہے انہیں ذیل میں بیان کیا گیا ہے:

### آپریٹنگ خطرات

آپریٹنگ خطرات کم کرنے کے لیے ضروری حکمت عملی تیار کی گئی ہیں اور مسلسل بھاری سرمایہ کاری کی جا رہی ہے تاکہ تمام آپریٹنگ پلانٹس کے قابل بھروسہ ہونے کو یقینی بنایا جاسکے۔ کمپنی نے حب پاور پلانٹ پر بحالی اور تجدید کا کام انجام دیا ہے جب کہ نارووال اور لاریب پلانٹس کی مطلوبہ دیکھ بھال اور مرمت بھی کام جا رہی ہے۔

### مالی خطرات

پاور سیکٹر کو متاثر کرنے والے جاری گردشی قرض کے مسئلے کیبا وجود کمپنی کسی تعطل کے بغیر کام کر رہی ہے۔ تاہم، بجلی کے خریداروں (Power Purchers) کو درپیش مالی مسائل ممکن طور پر پلانٹ چلانے کے لیے کمپنی کی صلاحیت جاری رکھنے اور مستقبل میں ترقی کے اقدامات کو خطرات سے دوچار کر سکتے ہیں۔

### اندرونی کنٹرولز

کمپنی کو، اس سہ ماہی کے دوران، گردشی قرض کے سنگین بحران کا سامنا رہا جس کے نتیجے میں پاکستان اسٹیٹ آئل (PSO) نے حب پاور پلانٹ کو یکم جولائی 2018ء سے 12 اکتوبر، 2018ء تیل کی فراہمی بند رکھی اور 13 اکتوبر، 2018ء کو دوبارہ بحال کی۔ پاور پریذیڈنٹ کو درپیش مالی مسائل اور حب کو پر اس کے اثرات، پلانٹ کے آپریشنز کو جاری رکھنے اور مستقبل میں اس کی ترقی کے اقدامات جاری رکھنے کے لیے، کمپنی کی صلاحیت کو متاثر کر سکتے ہیں۔ اپنے تمام واجبات کی وصولی کی غرض سے کمپنی اپنے کسٹمرز کے ساتھ مسلسل رابطہ میں ہے۔ کمپنی، حکومت میں موجود، اسٹیک ہولڈرز کے ساتھ بھی رابطہ میں ہے اور اس مسئلے کے حل کے لیے ان پر زور دے رہی ہے اور گردشی قرض کے ممکن نقصان دہ اثرات سے آگاہ کر رہی ہے۔

کمپنی نیا اندرونی کنٹرولز کے لیے ایک موثر نظام نافذ کیا ہے تاکہ کاروبار نظم و ضبط کے ساتھ چلایا جاسکے، اس کے اثاثوں کی حفاظت کی جاسکے اور ریکارڈز کی درستی اور قابل اعتماد ہونے کو یقینی بنایا جاسکے۔ انتظامی نگرانی اور جائزے اندرونی کنٹرولز کے سسٹم کا لازمی حصہ ہیں۔ بورڈ درمیانی مدت کے مالی گوشواروں، منافع کے جائزوں اور دیگر مالی اور شماریاتی معلومات کی مدد سے، باقاعدہ قفوں کے ساتھ، کمپنی کے مالی معاملات اور پوزیشن کا جائزہ لیتا رہتا ہے۔ بجٹ کے کنٹرول کا تجزیہ بھی کیا جاتا ہے اور بورڈ وضاحتوں اور اس

سلسلہ میں کیے گئے اقدامات کے ساتھ اہم تبدیلیوں کا جائزہ لیتا رہتا ہے۔

### ادارتی سماجی ذمہ داری (Corporate Social Responsibility)

توانائی کے شعبہ میں ایک ذمہ دار کمپنی کی حیثیت سے، ہم آج کی ضروریات اور مستقبل کی ذمہ داریوں سے آگاہ ہیں۔ نتیجتاً اپنے کاروباری اداروں کی طویل المیعاد ترقیاتی منصوبہ سازی میں اپنی ذمہ داریاں پورا کرنے کے پابند بھی ہیں۔ اپنے پائیدار عزم کے جزو کے طور پر ہم درج ذیل کلیدی شعبوں پر کڑی توجہ رکھے ہوئے ہیں:

- صحت
- تعلیم
- مادی ڈھانچہ
- روزگار کے وسائل

سہ ماہی کے دوران ہم نے، دی سٹیزن فاؤنڈیشن، ورلڈ وائلڈ لائف فنڈ (WWF)، البصیر فاؤنڈیشن، مقامی ضلعی انتظامیہ سمیت، تبدیلی میں اپنے شریک حصہ داروں کے ساتھ قریبی تعاون کیا ہے تاکہ ان صحت اور تعلیم کے میدانوں میں ان کے پروگراموں کو اعانت فراہم کی جاسکے اور اسی ساتھ افراد اور خاندانوں کو سماجی و اقتصادی ترقی کے بھرپور مواقع بھی فراہم کر سکیں۔

### صحت، تحفظ اور ماحول (HSE)

محفوظ ماحول میں کام کرنا کمپنی اور اس کی قائدانہ ٹیم کی بنیادی ذمہ داری ہے۔ ہم اس ذمہ داری کے حوالے سے انتہائی سنجیدہ ہیں اور جب کبھی کہیں کوئی کوتاہی ہوتی ہے تو اس بات کو یقینی بناتے ہیں کہ اس سے سبق سیکھا گیا ہے اور اس میں دوسروں کو بھی شریک کرتے ہیں، اور اس بات کو بھی یقینی بناتے ہیں کہ عملی طور پر جس قدر ممکن ہو ضروری انسدادی اقدامات کیے گئے ہیں۔

کمپنی میں ڈیو پونٹ سیفٹی مینجمنٹ سسٹم (DuPont Safety Management System) کے نفاذ پر عمل درآمد جاری ہے اور سائٹ کے سیفٹی پروسیجرز کو ڈیو پونٹ کے تقاضوں کے مطابق بنایا جا رہا ہے۔ ڈیو پونٹ سیفٹی مینجمنٹ سسٹم (DuPont Safety Management System) کو، سیفٹی کے حوالے سے، دنیا میں بہترین نظام تصور کیا جاتا ہے۔ عملہ میں تحفظ کے حوالے سے آگاہی یقینی بنانے کی غرض سے باقاعدہ تربیت، الیکٹرونک ڈسپلے یونٹوں اور تربیتی پروگراموں کے ذریعہ یقینی بنایا جاتا ہے۔

### منافع منقسمہ (Dividend)

بڑھتے ہوئے گردش قرضے اور پاور پر چیزز کی جانب سے ادائیگیوں میں تاخیر نے کمپنی کے لیے سرمائے کا سنگین بحران (liquidity crisis) پیدا کر دیا ہے۔ لہذا، کمپنی نے اس سہ ماہی کے لیے منافع منقسمہ کا اعلان نہیں کیا ہے۔

کمپنی اپنے تمام حصص یافتگان، ملازمین اور دیگر متعلق فریقین کی شکر گزار ہے کہ انہوں نے کمپنی پر اعتماد کیا اور کمپنی کو ترقی اور خوشحالی کے سفر پر ڈالنے کے لیے اپنی اعانت فراہم کی۔

بحکم بورڈ

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