



**The Hub Power Company Limited**

Unaudited Financial Statements  
for the Quarter Ended  
September 30, 2021

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## **Company Information**

### **Board of Directors**

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

### **Audit Committee**

Manzoor Ahmed	Chairman
Aly khan	
Saad Iqbal	
Nadeem Inayat	

### **Company Secretary**

Faiza Kapadia Raffay

### **Leadership Team**

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

### **Registered & Head Office**

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

Email: [Info@hubpower.com](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  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Pak Brunei Investment Company Limited  
Pak China Investment Company Limited  
Samba Bank Limited  
Standard Chartered Bank (Pakistan) Ltd.  
United Bank Limited

**Inter-Creditor Agents**

Habib Bank Limited  
Allied Bank Limited  
MCB Bank Limited  
Bank of Punjab

**Legal Advisors**

Syed Jamil Shah

**Auditors**

A.F.F Ferguson & Co.

**Registrar** FAMCO Associates (Pvt) Limited

**Hub Plant** Mouza Kund,  
Post Office Gaddani,  
District Lasbela, Balochistan

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

**CPHGC Plant** Mouza Kund,  
Post Office Gaddani,  
District Lasbela, Balochistan

**Laraib Energy Limited** Office # 12, Second Floor, Executive Complex,  
**(Subsidiary)** G-8, Markaz, Islamabad

## DIRECTORS' REVIEW

### REPORT OF DIRECTORS ON THE CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS FOR FIRST QUARTER ENDED SEPTEMBER 30, 2021

The Board of Directors is pleased to present a concise overview of the financial and operational performance of the Company for the quarter ended September 30, 2021.

#### Key Financial Highlights:

Consolidated net profit during the period under review was Rs. 7,417 million, resulting in earnings per share of Rs. 5.72 compared to net profit of Rs. 8,144 million and earnings per share of Rs. 6.28 in the same period last year. The decrease in profit is mainly due to lower share of profit from CPHGC due to loss from transformer damage which is partly offset by lower administrative & finance cost.

Unconsolidated net profit during the period under review was Rs. 4,427 million, resulting in earnings per share of Rs. 3.41 compared to net profit of Rs. 3,259 million and earnings per share of Rs. 2.51 in the same period last year. The increase in profit is mainly due to higher return on equity as per tariff profile, higher income from management services and lower administrative & finance costs

#### Key Operational Highlights:

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

Technical Parameters	Hub	Narowal	Laraib	CPHGC
Net Electrical Output (GWh)	527	267	100	1,221
Load Factor (%)	20	57	54	44

A comprehensive optimization exercise was carried out to realign the Organizational Structure, Headcount and SWB strategy with the evolving business dynamics of Power Sector. The realignment would result in significant cost savings for the company on recurring basis while still attracting and retaining quality talent.

#### Growth Projects

The lignite based 330MW Thar Energy Limited (TEL) Project in Thar Block II has completed 77% of Project Construction and targets to achieve Commercial Operations Date (COD) by first half of 2022. Recently, the Project has achieved 10 million safe manhours milestone.

The lignite based 330MW ThalNova Power Thar (Pvt.) Ltd Project in Thar Block II has completed 53% of Project Construction and targets to achieve COD by second half of 2022. The Project has achieved successful hoisting of steam drum in October.

HUBCO through its wholly owned subsidiary Hub Power Holdings Limited (HPhL) has finalized terms of Joint Venture agreement with China Power International Maintenance Engineering Company Limited (CPIME) (49% HPhL and 51% CPIME) to offer O&M services to 2x660MW China Power Hub Generation Company (CPHGC). CPIME has been providing O&M services for coal plants in China and the JV would enable HUBCO to further enhance its capability of O&M services for super critical coal fired power plants.

HUBCO's Wastewater recycling project for the SITE Industrial Area is progressing steadily. The USP submitted to the Government of Sindh (GoS) in Public Private Partnership (PPP) mode had been accepted by the GoS, inputs from the key stakeholders are being finalized and the bidding procedure is expected to initiate shortly.

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

By Order of the Board



Kamran Kamal  
Chief Executive Officer



M. Habibullah Khan  
Chairman



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

		3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
Turnover	5	18,055,089	8,807,638
Operating costs	6	(12,508,169)	(3,980,777)
<b>GROSS PROFIT</b>		<b>5,546,920</b>	<b>4,826,861</b>
General and administration expenses		(138,663)	(235,909)
Other income	7	461,938	258,322
Workers' profit participation fund	8	(23,090)	(12,654)
<b>PROFIT FROM OPERATIONS</b>		<b>5,847,105</b>	<b>4,836,620</b>
Finance costs	9	(1,306,434)	(1,533,965)
<b>PROFIT BEFORE TAXATION</b>		<b>4,540,671</b>	<b>3,302,655</b>
Taxation		(114,025)	(43,468)
<b>PROFIT FOR THE PERIOD</b>		<b>4,426,646</b>	<b>3,259,187</b>
Basic and diluted earnings per share (Rupees)		<b>3.41</b>	<b>2.51</b>

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	<b>3 months ended Sep 2021 (Rs. '000s)</b>	<b>3 months ended Sep 2020 (Rs. '000s)</b>
Profit for the period	4,426,646	3,259,187
<b>Other comprehensive income for the period:</b>		
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>		
Gain on revaluation of equity investment at fair value through other comprehensive income	134,629	67,150
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>4,561,275</u></b>	<b><u>3,326,337</u></b>

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

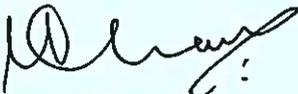
Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Property, plant and equipment	10	9,780,923	10,256,644
Intangibles		3,192	5,942
Long term investments	11	57,626,956	57,295,307
Long term deposits and prepayments		22,189	22,067
		67,433,260	67,579,960
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		1,267,819	1,377,785
Stock-in-trade		4,204,754	2,805,876
Trade debts	12	80,370,946	72,205,856
Loans and advances		2,506,520	686,101
Prepayments and other receivables	13	11,913,672	15,050,966
Cash and bank balances		297,547	300,744
		100,561,258	92,427,328
<b>TOTAL ASSETS</b>		167,994,518	160,007,288
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share Capital</b>			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
<b>Capital Reserve</b>			
Share premium		5,600,000	5,600,000
<b>Revenue Reserve</b>			
Unappropriated profit		40,914,165	36,352,890
		59,485,709	54,924,434
<b>NON-CURRENT LIABILITIES</b>			
Long term loans		27,750,340	30,420,239
Long term lease liabilities		255,617	263,814
		28,005,957	30,684,053
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	49,945,224	41,816,916
Unclaimed dividend		226,983	227,729
Unpaid dividend		43,686	46,084
Interest / mark-up accrued		442,869	631,727
Short term borrowings		22,623,475	27,069,321
Current maturity of long term loans		7,189,067	4,577,235
Current maturity of long term lease liabilities		31,548	29,789
		80,502,852	74,398,801
<b>TOTAL EQUITY AND LIABILITIES</b>		167,994,518	160,007,288
<b>COMMITMENTS AND CONTINGENCIES</b>			
	15		

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

  
 M. Habibullah Khan  
 Chairman

  
 Kamran Kamal  
 Chief Executive

  
 Abdul Nasir  
 Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		4,540,671	3,302,655
Adjustments for:			
Depreciation		478,727	477,951
Amortisation		2,757	6,816
Dividend income from subsidiary		(50,000)	(100,000)
Loss on disposal of fixed assets		176	-
Provision against slow moving stores, spares and consumables		82,147	79,798
Staff gratuity		6,575	5,500
Interest income		(8)	(4,354)
Interest / mark-up expense		1,182,241	1,409,527
Mark-up on lease liabilities		9,251	10,018
Amortisation of transaction costs		21,098	20,566
Operating profit before working capital changes		6,273,635	5,208,477
Working capital changes		(571,109)	(3,905,737)
Cash generated from operations		5,702,526	1,302,740
Interest income received		15	913
Interest / mark-up paid		(1,371,099)	(1,606,499)
Staff gratuity paid		(2,000)	-
Taxes paid		(52,391)	(33,349)
Net cash generated from / (used in) operating activities		4,277,051	(336,195)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend received from subsidiaries		463,761	513,761
Fixed capital expenditure		(3,281)	(4,807)
Proceeds from disposal of fixed assets		92	-
Long term investments made		(197,019)	(137,000)
Long term deposits and prepayments		(122)	200
Net cash generated from investing activities		263,431	372,154
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(3,144)	(9,457)
Proceeds from long term loans		-	209,198
Repayment of long term loans		(79,000)	(273,961)
Repayment of long term lease liabilities		(15,689)	(9,270)
Net cash used in financing activities		(97,833)	(83,490)
Net increase / (decrease) in cash and cash equivalents		4,442,649	(47,531)
Cash and cash equivalents at the beginning of the period		(26,768,577)	(29,402,692)
Cash and cash equivalents at the end of the period	17	(22,325,928)	(29,450,223)

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>ISSUED CAPITAL</b>		
Balance at the beginning of the period	12,971,544	12,971,544
Balance at the end of the period	<u>12,971,544</u>	<u>12,971,544</u>
<b>SHARE PREMIUM</b>		
Balance at the beginning of the period	5,600,000	5,600,000
Balance at the end of the period	<u>5,600,000</u>	<u>5,600,000</u>
<b>UNAPPROPRIATED PROFIT</b>		
Balance at the beginning of the period	36,352,890	24,108,136
Profit for the period	<u>4,426,646</u>	<u>3,259,187</u>
Other comprehensive income for the period	<u>134,629</u>	<u>67,150</u>
<b>Total comprehensive income for the period</b>	<u>4,561,275</u>	<u>3,326,337</u>
Balance at the end of the period	<u>40,914,165</u>	<u>27,434,473</u>
<b>TOTAL EQUITY</b>	<u><u>59,485,709</u></u>	<u><u>46,006,017</u></u>

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

**1. THE COMPANY AND ITS OPERATIONS**

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

The Company has the following subsidiaries and associates:

***Subsidiaries***

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

***Associates***

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

***Joint Venture***

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These unaudited condensed interim unconsolidated financial statements of the Company for the first quarter ended September 30, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2021.

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation followed for the preparation of these condensed interim unconsolidated financial statements are same as those applied in preparing the unconsolidated financial statements for the year ended June 30, 2021.

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

#### 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2021. The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited unconsolidated financial statements for the year ended June 30, 2021.

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>5. TURNOVER</b>			
Capacity Purchase Price (CPP)		6,008,826	5,595,196
Energy Purchase Price (EPP)		11,676,266	2,078,134
Late Payment Interest (LPI)		1,192,762	1,203,308
Startup Charges (SC)		198,067	27,342
Part Load Adjustment Charges (PLAC)		667,935	153,844
		<u>19,743,856</u>	<u>9,057,824</u>
Less: Sales tax on EPP		(1,688,767)	(250,186)
		<u>18,055,089</u>	<u>8,807,638</u>

#### 6. OPERATING COSTS

Fuel cost		10,811,203	2,048,930
Late payment interest to fuel supplier		441,195	612,153
Stores and spares		138,339	100,639
Operations and maintenance	6.1	32,000	72,250
Salaries, benefits and other allowances	6.2	154,957	197,797
Insurance		230,462	240,129
Depreciation		463,915	462,985
Amortisation		2,428	6,493
Repairs, maintenance and other costs		233,670	239,401
		<u>12,508,169</u>	<u>3,980,777</u>

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

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

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>7. OTHER INCOME</b>			
<b>Financial assets</b>			
Interest income		8	4,354
<b>Non-financial assets</b>			
Loss on disposal of fixed assets-net		(176)	-
Dividend income from HPSL		50,000	100,000
Income from management services	7.1	411,801	153,089
Exchange gain		305	879
		<u>461,930</u>	<u>253,968</u>
		<u>461,938</u>	<u>258,322</u>

	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>7.1 Income from management services</b>		
Services income	686,816	283,196
Cost of services	(275,015)	(130,107)
	<u>411,801</u>	<u>153,089</u>

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

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>8. WORKERS' PROFIT PARTICIPATION FUND</b>	8.1	<u>23,090</u>	<u>12,654</u>
<b>8.1 Workers' profit participation fund</b>			
Provision for Workers' profit participation fund		228,191	165,765
Workers' profit participation fund recoverable from CPPA(G)		(205,101)	(153,111)
		<u>23,090</u>	<u>12,654</u>
<b>9. FINANCE COSTS</b>			
Interest / mark-up on long term loans		740,164	760,179
Mark-up on long term lease liabilities		9,251	10,018
Mark-up on short term borrowings		442,077	649,348
Amortisation of transaction costs		21,098	20,566
Other finance costs		93,844	93,854
		<u>1,306,434</u>	<u>1,533,965</u>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
Operating fixed assets		9,780,247	10,255,968
Capital work-in-progress (CWIP)		676	676
		<u>9,780,923</u>	<u>10,256,644</u>

10.1 Additions to property, plant and equipment during the period were Rs. 3 million (Sep 2020: Rs. 5 million) and disposals therefrom at net book value were Rs. 0.3 million (Sep 2020: Rs. Nil).



11. LONG TERM INVESTMENTS	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<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)	11.1	38,995,534	38,995,534
Narowal Energy Limited (NEL)		3,921,883	3,921,883
Thar Energy Limited (TEL)		7,165,917	7,165,917
		<u>54,757,623</u>	<u>54,757,623</u>
<b>Others - unquoted</b>			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,869,333	2,537,684
		<u>57,626,956</u>	<u>57,295,307</u>

#### 11.1 Hub Power Holdings Limited (HPHL)

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

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

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

12. TRADE DEBTS	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>Considered good - Secured</b>			
Capacity Purchase Price (CPP)		38,532,394	42,246,908
Energy Purchase Price (EPP)		15,228,211	3,605,522
Late Payment Interest (LPI)	12.1	25,462,572	26,071,659
Startup Charges (SC)		248,176	50,110
Part Load Adjustment Charges (PLAC)		899,593	231,657
	12.2	<u>80,370,946</u>	<u>72,205,856</u>

12.1 This includes Rs. 3,813 million (June 2021: Rs. 4,559 million) related to LPI which is not yet billed by the Company.

12.2 This includes an amount of Rs. 70,627 million (June 2021: Rs. 60,278 million) receivable from CPPA(G) which is overdue but not impaired because the trade debts are secured by a guarantee from the GOP under the Implementation Agreement (IA). The delay in payments from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>13. PREPAYMENTS AND OTHER RECEIVABLES</b>		
Prepayments	88,574	41,755
Other receivables		
Interest accrued	152	159
Income tax - refundable	290,540	352,174
Income tax - (Contractor tax refundable)	372,469	372,469
Sales tax	7,769,571	7,373,750
Staff gratuity	17,949	19,534
Receivable from LEL	34,797	726,849
Receivable from HPHL	175,657	53,792
Receivable from NEL	8,456	2,525
Receivable from TEL	20,694	48,697
Receivable from TNPTL	106,243	23,915
Receivable from TEL against services agreement	354,192	3,510,502
Receivable from TNPTL against services agreement	8,050	63,386
Workers' profit participation fund recoverable from CPPA(G)	2,666,121	2,461,020
Miscellaneous	207	439
	<u>11,825,098</u>	<u>15,009,211</u>
	<u>11,913,672</u>	<u>15,050,966</u>

#### 14. TRADE AND OTHER PAYABLES

This includes Rs. 42,280 million (June 2021: Rs. 34,496 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 37,596 million (June 2021: Rs. 26,682 million).

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

#### 15. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of commitments and contingencies as disclosed in the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

#### 16. RELATED PARTY TRANSACTIONS AND BALANCES

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

	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>16.1 Details of transactions</b>		
<b>Subsidiaries</b>		
<b>Laraib Energy Limited</b>		
Reimbursable expenses incurred on behalf of subsidiary	<u>37,258</u>	<u>19,854</u>
Receipts against reimbursement of expenses from subsidiary	<u>51,298</u>	<u>16,129</u>
Dividend received	<u>678,012</u>	<u>413,761</u>
<b>Hub Power Holdings Limited</b>		
Reimbursable expenses incurred on behalf of subsidiary	<u>125,859</u>	<u>119,465</u>
Receipts against reimbursement of expenses from subsidiary	<u>3,994</u>	<u>51,784</u>

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>Hub Power Services Limited</b>			
Reimbursable expenses incurred on behalf of subsidiary		3,108	8,483
Receipts against reimbursement of expenses from subsidiary		5,374	12,025
Reimbursable expenses incurred by subsidiary		18,273	23,352
Payments against reimbursement of expenses to subsidiary		6,044	44,097
Amount paid for O&M services rendered		38,429	81,720
Dividend received		50,000	100,000
Interest expense on loan from subsidiary	16.1.3	6,009	1,846
Payments against interest on loan from subsidiary		-	3,918
<b>Narowal Energy Limited</b>			
Reimbursable expenses incurred on behalf of subsidiary		4,228	11,350
Receipts against reimbursement of expenses from subsidiary		-	15,652
Interest income on loan to subsidiary	16.2.1	1,703	15,984
Receipts against interest on loan to subsidiary		-	39,422
<b>Thar Energy Limited</b>			
Investment in subsidiary		-	137,000
Reimbursable expenses incurred on behalf of subsidiary		6,450	5,147
Receipts against reimbursement of expenses from subsidiary		34,453	-
Receipts against services rendered to subsidiary		3,746,069	-
Services rendered to subsidiary		589,759	246,757
<b>Other related parties</b>			
Investment in SECMC		197,021	-
Services rendered to TNPTL		257,257	36,441
Reimbursable expenses incurred on behalf of TNPTL		104,560	47,385
Receipts against reimbursement of expenses from TNPTL		22,232	-
Receipts against services rendered to TNPTL		262,732	-
Remuneration to key management personnel			
Salaries, benefits and other allowances		30,021	40,700
Retirement benefits		996	1,448
	16.1.1 & 16.1.2	31,017	42,148
Directors' fee		1,300	1,800
Contribution to staff retirement benefit plans of the Company		4,409	3,948
Contribution to staff retirement benefit plans of HPSL		52,584	7,357
Contribution to staff retirement benefit plan of TEL		179	269
Contribution to staff retirement benefit plan of LEL		103	14

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

16.1.2 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 6 million (Sep 2020: Rs. 5 million).

16.1.3 The Company has obtained an unsecured short term loan facility for an amount of up to Rs. 500 million from HPSL, to meet its working capital requirements. This facility carries markup at the rate of 0.75% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the period was Rs. 207 million (2020: Rs. 123 million).

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

16.2 Details of outstanding balances	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>Subsidiaries</b>			
<b>Hub Power Services Limited</b>			
Payable to subsidiary		19,138	34,945
Loan from subsidiary		374,705	129,000
<b>Narowal Energy Limited</b>			
Loan to subsidiary	16.2.1	2,488,170	140,720
<b>Associate</b>			
<b>ThalNova Power Thar (Private) Limited</b>			
Unearned income under management services		329,701	379,562
<b>Other related parties</b>			
Payable to The Hub Power Company Limited			
- Employees' Provident Fund		-	2,629
Payable to Hub Power Services Limited - Pension Fund		9,310	11,279
Payable to Hub Power Services Limited - Provident Fund		-	5,605
Payable to Thar Energy Limited - Employees' Provident Fund		-	112

16.2.1 The Company has provided NEL an unsecured short term loan facility for an amount of up to Rs. 3,000 million, to meet its working capital requirements, which carries markup at the rate of 0.4% per annum above one month KIBOR. Any late payment is subject to an additional payment of 1.00% per annum above the normal mark-up rate. The maximum aggregate amount outstanding at any time during the period was Rs. 2,488 million.

17. CASH AND CASH EQUIVALENTS	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
Cash and bank balances	297,547	497,727
Short term borrowings	(22,623,475)	(29,947,950)
	<u>(22,325,928)</u>	<u>(29,450,223)</u>

	3 months ended Sep 2021	3 months ended Sep 2020
<b>18. PLANT CAPACITY AND PRODUCTION</b>		
<b><u>HUB PLANT</u></b>		
Theoretical Maximum Output	2,650 GWh	2,650 GWh
Total Output	527 GWh	105 GWh
Load Factor	20%	4%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,204 GWh (Sep 2020: 2,463 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

**19. DATE OF AUTHORISATION**

These condensed interim unconsolidated financial statements were authorised for issue on October 29, 2021 in accordance with the resolution of the Board of Directors.

**20. SUBSEQUENT EVENT**

The final dividend of Rs. 5.00 per share, amounting to Rs. 6,485.772 million for the fiscal year ended June 30, 2021 was approved at the Annual General Meeting held on October 05, 2021. Hence, it will be accounted for in the period in which it is approved.

**21. GENERAL**

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



M. Habibullah Khan  
Chairman



Kamran Kamal  
Chief Executive



Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
Turnover	5	26,339,723	15,794,082
Operating costs	6	(18,541,407)	(7,654,849)
<b>GROSS PROFIT</b>		7,798,316	8,139,233
General and administration expenses		(224,035)	(386,061)
Other income		216,842	57,409
Other operating expenses	7	(23,090)	(12,654)
<b>PROFIT FROM OPERATIONS</b>		7,768,033	7,797,927
Finance costs	8	(1,659,737)	(1,904,114)
Share of profit from associates and joint venture - net	9	2,292,650	3,482,171
<b>PROFIT BEFORE TAXATION</b>		8,400,946	9,375,984
Taxation		(705,440)	(934,682)
<b>PROFIT FOR THE PERIOD</b>		7,695,506	8,441,302
Attributable to:			
- Owners of the holding company		7,416,509	8,143,849
- Non-controlling interest		278,997	297,453
		7,695,506	8,441,302
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)			
		5.72	6.28

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.

  
 M. Habibullah Khan  
 Chairman

  
 Kamran Kamal  
 Chief Executive

  
 Abdul Nasir  
 Chief Financial Officer



THE HUB POWER COMPANY LIMITED  
CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
Profit for the period	7,695,506	8,441,302
<b>Other comprehensive income for the period</b>		
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>		
Gain on revaluation of equity investment at fair value through other comprehensive income	134,629	67,150
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>7,830,135</u>	<u>8,508,452</u>
Attributable to:		
- Owners of the holding company	7,551,138	8,210,999
- Non-controlling interest	278,997	297,453
	<u>7,830,135</u>	<u>8,508,452</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

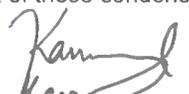
Abdul Nasir  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2021**

	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Property, plant and equipment	10	84,740,274	79,003,531
Intangibles		1,418,800	1,420,651
Long term investments	11	72,653,201	70,009,153
Long term deposits, prepayments and others		30,224	30,102
		158,842,499	150,463,437
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		2,236,564	2,528,895
Stock-in-trade		5,423,772	3,997,806
Trade debts	12	111,880,409	101,987,067
Loans and advances		78,609	76,245
Prepayments and other receivables	13	13,900,072	12,845,658
Cash and bank balances		7,316,196	6,348,860
		140,835,622	127,784,531
<b>TOTAL ASSETS</b>		299,678,121	278,247,968
<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		12,971,544	12,971,544
<b>Capital Reserve</b>			
Share premium		5,600,000	5,600,000
<b>Revenue Reserve</b>			
Unappropriated profit		89,806,504	82,255,366
Attributable to owners of the holding company		108,378,048	100,826,910
<b>NON-CONTROLLING INTEREST</b>		9,118,256	8,839,259
		117,496,304	109,666,169
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	14	78,479,725	46,584,599
Long term lease liabilities		1,577,360	1,732,213
Deferred taxation		7,626,164	7,053,046
		87,683,249	55,369,858
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	55,850,937	69,516,102
Unclaimed dividend		226,983	227,729
Unpaid dividend		43,686	272,680
Interest / mark-up accrued		1,047,158	1,219,903
Short term borrowings		26,435,886	33,900,797
Current maturity of long term loans		10,273,507	7,497,118
Current maturity of long term lease liabilities		583,421	541,607
Taxation-net		36,990	36,005
		94,498,568	113,211,941
<b>TOTAL EQUITY AND LIABILITIES</b>		299,678,121	278,247,968
<b>COMMITMENTS AND CONTINGENCIES</b>			
	16		

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.

  
M. Habibullah Khan  
Chairman

  
Kamran Kamal  
Chief Executive

  
Abdul Nasir  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		8,400,946	9,375,984
Adjustments for:			
Depreciation		1,175,563	981,243
Amortisation		3,034	7,093
Provision against slow moving stores, spares and consumables		88,527	85,448
Gain on disposal of fixed assets		15	-
Share of profit from associates and joint venture - net		(2,292,650)	(3,482,171)
Staff gratuity		9,436	8,508
Interest income		(51,404)	(52,071)
Interest / mark-up		1,546,563	1,775,160
Unrealized profit on management services to associate - TNPTL		55,005	-
Amortisation of transaction costs		28,615	33,335
Operating profit before working capital changes		8,963,650	8,732,529
Working capital changes		(2,533,091)	(5,305,426)
Cash generated from operations		6,430,559	3,427,103
Interest income received		10,064	34,580
Interest / mark-up paid		(1,721,073)	(2,481,060)
Staff gratuity paid		(53,052)	(1,112)
Taxes paid		(69,746)	(53,732)
Net cash generated from / (used in) operating activities		4,596,752	925,779
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(31,786,375)	(492,302)
Proceeds from disposal of fixed assets		1,218	-
Long term investments made		(197,020)	-
Long term deposits and prepayments		(122)	3,802
Net cash used in investing activities		(31,982,299)	(488,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid to owners of the holding company		(3,144)	(9,457)
Dividends paid to NCI		(226,604)	(138,282)
Proceeds from long term loans - net		37,449,789	291,764
Repayment of long term loans		(1,141,884)	(1,847,143)
Repayment of liabilities against assets subject to finance lease		(260,363)	(269,026)
Net cash (used in) / generated from financing activities		35,817,794	(1,972,144)
Net increase in cash and cash equivalents		8,432,247	(1,534,865)
Cash and cash equivalents at the beginning of the period		(27,551,937)	(32,324,246)
Cash and cash equivalents at the end of the period	19	(19,119,690)	(33,859,111)

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Abdul Nasir  
Chief Financial Officer



THE HUB POWER COMPANY LIMITED  
CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY</b>		
<b>ISSUED CAPITAL</b>		
Balance at the beginning of the period	12,971,544	12,971,544
Balance at the end of the period	<u>12,971,544</u>	<u>12,971,544</u>
<b>SHARE PREMIUM</b>		
Balance at the beginning of the period	5,600,000	5,600,000
Balance at the end of the period	<u>5,600,000</u>	<u>5,600,000</u>
<b>UNAPPROPRIATED PROFIT</b>		
Balance at the beginning of the period	82,255,366	57,715,017
Profit for the period	7,416,509	8,143,849
Other comprehensive income for the period	134,629	67,150
<b>Total comprehensive income for the period</b>	7,551,138	8,210,999
Balance at the end of the period	<u>89,806,504</u>	<u>65,926,016</u>
Attributable to owners of the holding company	<u>108,378,048</u>	<u>84,497,560</u>
<b>NON-CONTROLLING INTEREST</b>		
Balance at the beginning of the period	8,839,259	7,644,781
Total comprehensive income for the period	278,997	297,453
Balance at the end of the period	<u>9,118,256</u>	<u>7,942,234</u>
<b>TOTAL EQUITY</b>	<u>117,496,304</u>	<u>92,439,794</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Abdul Nasir  
Chief Financial Officer

## 1. STATUS AND NATURE OF BUSINESS

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

The Group consists of the holding company and following subsidiaries / associates:

### Subsidiaries

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

### Associates

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

### Joint Venture

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These unaudited condensed interim consolidated financial statements of the holding company for the first quarter ended September 30, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the holding company's annual consolidated financial statements for the year ended June 30, 2021.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2021.

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

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements are same as those applied in the holding company's annual consolidated financial statements for the year ended June 30, 2021. The Group's financial risk management objectives and policies are consistent with those disclosed in the holding company's annual audited consolidated financial statements for the year ended June 30, 2021.

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>5. TURNOVER</b>			
Capacity Purchase Price (CPP)		8,593,217	8,901,887
Energy Purchase Price (EPP)		17,636,713	5,693,842
Late Payment Interest (LPI)		1,790,987	1,792,441
Startup Charges (SC)		198,067	27,342
Part Load Adjustment Charges (PLAC)		667,935	153,844
		<u>28,886,919</u>	<u>16,569,356</u>
Less: Sales tax on EPP		<u>(2,547,196)</u>	<u>(775,274)</u>
		<u>26,339,723</u>	<u>15,794,082</u>
<b>6. OPERATING COSTS</b>			
Fuel cost		15,448,958	4,754,385
Late Payment Interest to fuel suppliers		441,195	612,153
Water use charges		41,380	40,394
Salaries, benefits and other allowances		307,654	356,386
Stores and spares		393,189	254,509
Insurance		353,846	364,122
Depreciation		1,159,900	959,470
Amortisation		2,681	6,746
Repairs, maintenance and other costs		392,604	306,684
		<u>18,541,407</u>	<u>7,654,849</u>
<b>7. OTHER OPERATING EXPENSES</b>			
Workers' profit participation fund	7.1	<u>23,090</u>	<u>12,654</u>
<b>7.1 Workers' profit participation fund</b>			
Provision for Workers' profit participation fund		272,569	245,129
Workers' profit participation fund recoverable from CPPA(G) / NTDC		<u>(249,479)</u>	<u>(232,475)</u>
		<u>23,090</u>	<u>12,654</u>
<b>8. FINANCE COSTS</b>			
Interest / mark-up on long term loans		962,495	898,909
Mark-up on short term borrowings		551,732	834,608
Mark-up on long term lease liabilities		32,336	41,643
Amortisation of transaction costs		28,615	33,335
Other finance costs		84,559	95,619
		<u>1,659,737</u>	<u>1,904,114</u>

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET</b>			
<b>Associates</b>			
- China Power Hub Generation Company (Private) Limited			
- representing 47.5% equity shares	11.1.1	2,367,226	3,598,835
- obligation in respect of profit on shares related to GoB		(74,754)	(113,647)
		2,292,472	3,485,188
- ThalNova Power Thar (Private) Limited		(1,408)	(3,017)
		2,291,064	3,482,171
<b>Joint Venture</b>			
- Prime International Oil & Gas Company Limited		1,586	-
		2,292,650	3,482,171
		<b>Sep 2021 (Rs. '000s) (Unaudited)</b>	<b>Jun 2021 (Rs. '000s) (Audited)</b>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating property, plant and equipment	10.1	40,052,912	40,723,884
Capital work-in-progress			
Holding company		676	676
NEL		2,406	2,405
LEL		-	7,744
TEL		44,684,280	38,268,822
		44,687,362	38,279,647
		84,740,274	79,003,531
10.1	Additions to property, plant and equipment during the current period were Rs. 515 million (Sep 2020: Rs. 372 million) which includes Rs. 502 million exchange loss capitalized on foreign currency loans (Sep 2020: Rs. 120 million exchange gain), and disposals therefrom at net book value were Rs. 2 million (Sep 2020: Rs. nil).		
		<b>Sep 2021 (Rs. '000s) (Unaudited)</b>	<b>Jun 2021 (Rs. '000s) (Audited)</b>
<b>11. LONG TERM INVESTMENTS</b>			
<b>Investment in associates - unquoted</b>			
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1	64,624,540	62,257,314
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	4,890,235	4,946,648
<b>Investment in joint venture (under equity method) - unquoted</b>			
- Prime International Oil and Gas Company Limited (Prime)		269,093	267,507
<b>Others - unquoted</b>			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,869,333	2,537,684
		72,653,201	70,009,153

	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>11.1 Investment in China Power Hub Generation Company (Private) Limited (CPHGC)</b>			
Opening investment		62,257,314	46,221,106
Share of profit from associate	11.1.1	2,367,226	16,036,145
Share of other comprehensive income from associate		-	63
Closing balance		<u>64,624,540</u>	<u>62,257,314</u>

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

	Note	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>11.2 ThalNova Power Thar (Private) Limited (TNPTL)</b>			
Opening investment		4,946,648	5,261,388
Share of (loss) / profit from associate		(1,408)	(15,927)
Unrealized profit on management services		(55,005)	(298,453)
Group's share in share issue cost		-	(360)
		<u>4,890,235</u>	<u>4,946,648</u>

**11.3 Prime International Oil and Gas Company Limited (Prime)**

Opening investment		267,507	-
Investment during the year		-	280,739
Share of profit / (loss) from joint venture		1,586	(13,232)
		<u>269,093</u>	<u>267,507</u>

**12. TRADE DEBTS - Secured**

Considered good - Secured

Capacity Purchase Price (CPP)		51,451,424	58,023,203
Energy Purchase Price (EPP)		28,739,723	12,239,963
Late Payment Interest (LPI)	12.1	30,209,542	31,179,984
Startup Charges (SC)		248,176	50,110
Part Load Adjustment Charges (PLAC)		899,593	231,657
Pass through item - WPPF		331,951	262,150
	12.2	<u>111,880,409</u>	<u>101,987,067</u>

12.1 This also includes Rs. 5,017 million (June 2021: Rs. 6,221 million) related to LPI which is not yet billed by the Group.

12.2 This includes an amount of Rs. 88,383 million (June 2021: Rs. 78,093 million) from CPPA(G) and Rs. 6,118 million (June 2021: Rs. 4,928 million) from NTDC which are overdue but not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreements (IA).

The delay in payments from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually and the delay in payment from NTDC carries mark-up at a rate of three / six month KIBOR plus 2% to 4.5% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

**Sep 2021**  
**(Rs. '000s)**  
**(Unaudited)**

**Jun 2021**  
**(Rs. '000s)**  
**(Audited)**

**13. PREPAYMENTS AND OTHER RECEIVABLES**

	456,758	51,936
Prepayments		
Other receivables		
Interest accrued	45,096	9,964
Income tax - refundable	290,540	352,174
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	8,702,296	8,336,792
Advance tax	9,971	9,928
Staff retirement benefit - pension fund	1,003	762
Receivable from CPHGC	11,284	21,068
Receivable from TNPTL	117,838	31,690
Receivable from TNPTL against services agreement	8,050	63,386
Staff gratuity	70,859	23,302
Workers' profit participation fund recoverable from CPPA(G) / NTDC	3,798,459	3,549,385
Miscellaneous	15,449	22,802
	13,443,314	12,793,722
	13,900,072	12,845,658

**14. LONG TERM LOANS**

14.1 During the period, TEL drawn Rs. 37,450 million under long term USD and Pak Rupee loan facilities.

**15. TRADE AND OTHER PAYABLES**

This includes Rs. 42,280 million (June 2021: Rs. 34,496, million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 37,596 million (June 2021: Rs. 26,682 million).

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

**16. COMMITMENTS AND CONTINGENCIES**

There is no material change in the status of commitments and contingencies as disclosed in the annual consolidated financial statements of the Group for the year ended June 30, 2021.

## 17. SEGMENT INFORMATION

### 17.1 SEGMENT ANALYSIS

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

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

	Power Generation			3 months ended Sep 2021		Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Operations and Maintenance	Investments			
	(Rs. '000s)							
Turnover	18,055,089	6,477,265	1,807,558	120,631	-	-	(120,820)	26,339,723
Operating costs	(12,508,169)	(5,397,725)	(592,193)	(89,773)	-	-	46,453	(18,541,407)
<b>GROSS PROFIT</b>	<b>5,546,920</b>	<b>1,079,540</b>	<b>1,215,365</b>	<b>30,858</b>	<b>-</b>	<b>-</b>	<b>(74,367)</b>	<b>7,798,316</b>
General and administration expenses	(138,663)	(15,363)	(15,245)	(15,801)	(38,963)	-	-	(224,035)
Other income	142	1,676	37,908	16,918	56,487	461,796	(358,085)	216,842
Other operating expenses	-	-	-	-	-	(23,090)	-	(23,090)
<b>PROFIT FROM OPERATIONS</b>	<b>5,408,399</b>	<b>1,065,853</b>	<b>1,238,028</b>	<b>31,975</b>	<b>17,524</b>	<b>438,706</b>	<b>(432,452)</b>	<b>7,768,033</b>
Finance costs	(309,943)	(178,299)	(126,780)	(760)	(1,189,945)	-	145,990	(1,659,737)
Share of profit from associates	-	-	-	-	2,292,650	-	-	2,292,650
<b>PROFIT BEFORE TAXATION</b>	<b>5,098,456</b>	<b>887,554</b>	<b>1,111,248</b>	<b>31,215</b>	<b>1,120,229</b>	<b>438,706</b>	<b>(286,462)</b>	<b>8,400,946</b>
Taxation	-	(484)	(900)	(8,687)	(581,344)	(114,025)	-	(705,440)
<b>PROFIT FOR THE PERIOD</b>	<b>5,098,456</b>	<b>887,070</b>	<b>1,110,348</b>	<b>22,528</b>	<b>538,885</b>	<b>324,681</b>	<b>(286,462)</b>	<b>7,695,506</b>

	Power Generation			3 months ended Sep 2020				Total
	Hub plant	Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	
	(Rs. '000s)							
Turnover	8,807,638	5,193,821	1,792,827	124,710	-	-	(124,914)	15,794,082
Operating costs	(3,980,777)	(3,317,254)	(381,470)	(90,359)	-	-	115,011	(7,654,849)
<b>GROSS PROFIT</b>	<b>4,826,861</b>	<b>1,876,567</b>	<b>1,411,357</b>	<b>34,351</b>	<b>-</b>	<b>-</b>	<b>(9,903)</b>	<b>8,139,233</b>
General and administration expenses	(235,909)	(22,398)	(32,973)	(24,002)	(70,779)	-	-	(386,061)
Other income	5,233	1,207	5,616	5,357	41,842	253,089	(254,935)	57,409
Other operating expenses	-	-	-	-	-	(12,654)	-	(12,654)
<b>PROFIT FROM OPERATIONS</b>	<b>4,596,185</b>	<b>1,855,376</b>	<b>1,384,000</b>	<b>15,706</b>	<b>(28,937)</b>	<b>240,435</b>	<b>(264,838)</b>	<b>7,797,927</b>
Finance costs	(523,222)	(268,105)	(173,491)	(720)	(1,070,438)	(5,413)	137,275	(1,904,114)
Share of loss from associates	-	-	-	-	3,482,171	-	-	3,482,171
<b>PROFIT BEFORE TAXATION</b>	<b>4,072,963</b>	<b>1,587,271</b>	<b>1,210,509</b>	<b>14,986</b>	<b>2,382,796</b>	<b>235,022</b>	<b>(127,563)</b>	<b>9,375,984</b>
Taxation	-	(350)	(1,443)	(10,974)	(878,447)	(43,468)	-	(934,682)
<b>PROFIT FOR THE PERIOD</b>	<b>4,072,963</b>	<b>1,586,921</b>	<b>1,209,066</b>	<b>4,012</b>	<b>1,504,349</b>	<b>191,554</b>	<b>(127,563)</b>	<b>8,441,302</b>

## 17.2 SEGMENT ASSETS & LIABILITIES

	Power Generation			As at Sep 30, 2021				Total
	Hub plant	Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	
	(Rs. '000s)							
<b>Assets</b>	<b>110,211,765</b>	<b>41,153,993</b>	<b>25,578,955</b>	<b>555,341</b>	<b>127,585,600</b>	<b>54,913,420</b>	<b>(60,320,953)</b>	<b>299,678,121</b>
<b>Liabilities</b>	<b>72,924,800</b>	<b>11,437,429</b>	<b>7,963,440</b>	<b>380,828</b>	<b>92,333,350</b>	<b>850,878</b>	<b>(3,708,908)</b>	<b>182,181,817</b>
	Power Generation			As at Jun 30, 2021				Total
	Hub plant	Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated	Eliminations	
	(Rs. '000s)							
<b>Assets</b>	<b>102,558,582</b>	<b>40,528,932</b>	<b>26,090,757</b>	<b>593,482</b>	<b>115,062,214</b>	<b>54,911,022</b>	<b>(61,497,021)</b>	<b>278,247,968</b>
<b>Liabilities</b>	<b>69,750,478</b>	<b>11,699,438</b>	<b>9,585,590</b>	<b>391,497</b>	<b>81,676,989</b>	<b>599,245</b>	<b>(5,121,438)</b>	<b>168,581,799</b>

**18. RELATED PARTY TRANSACTIONS AND BALANCES**

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

**18.1 Details of Transactions**

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>Associates</b>			
<b>ThalNova Power Thar (Private) Limited (TNPTL)</b>			
Reimbursable expenses incurred by the holding company		104,560	47,385
Services rendered by the holding company		257,257	36,441
Receipts against reimbursement of expenses from TNPTL		22,232	-
Receipts against services rendered to TNPTL		262,732	-
Reimbursable expenses incurred by HPSL		-	456
Allocation of staff salaries and benefits by TEL		4,179	8,465
Reimbursable expenses allocated by TEL		228	295
<b>Other related parties</b>			
Investment in SECMC		197,021	-
Remuneration to key management personnel			
Salaries, benefits and other allowances		65,776	99,108
Retirement benefits		1,743	3,412
	18.1.1	67,519	102,520
Directors' fee	18.1.2	2,075	3,000
Contribution to staff retirement benefit plans		64,927	20,770
Dividend paid to NCI - Coate & Co. Private Limited		215,297	131,412
Proceeds from disposals of assets		725	-

18.1.1 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.

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

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

**18.2 Details of Outstanding Balances**

	Sep 2021 (Rs. '000s) (Unaudited)	Jun 2021 (Rs. '000s) (Audited)
<b>Associates</b>		
<b>ThalNova Power Thar (Private) Limited (TNPTL)</b>		
Unearned income under management services	329,701	379,562
<b>Other related parties</b>		
Payable to staff retirement benefit plans	9,388	58,597

	Note	3 months ended Sep 2021 (Rs. '000s)	3 months ended Sep 2020 (Rs. '000s)
<b>19. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	19.1	7,316,196	4,694,286
Short term borrowings		(26,435,886)	(38,553,397)
		<u>(19,119,690)</u>	<u>(33,859,111)</u>

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

		3 months ended Sep 2021	3 months ended Sep 2020
<b>20. PLANT CAPACITY AND PRODUCTION</b>			
<b><u>HUB PLANT</u></b>			
Theoretical Maximum Output		2,650 GWh	2,650 GWh
Total Output		527 GWh	105 GWh
Load Factor		20%	4%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,204 GWh (Sep 2020: 2,463 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

		3 months ended Sep 2021	3 months ended Sep 2020
<b><u>NAROWAL PLANT</u></b>			
Theoretical Maximum Output		472 GWh	472 GWh
Total Output		267 GWh	226 GWh
Load Factor		57%	48%

Practical maximum output for the power plant, taking into account all the scheduled outages is 442 GWh (Sep 2020: 454 GWh). Output produced by the plant is dependent on the load demanded by NTDC and the plant availability.

		3 months ended Sep 2021	3 months ended Sep 2020
<b><u>LARAIB PLANT</u></b>			
Theoretical Maximum Output		185 GWh	185 GWh
Total Output		100 GWh	98 GWh
Load Factor		54%	53%

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

21. **DATE OF AUTHORISATION**

These condensed interim consolidated financial statements were authorised for issue on October 29, 2021 in accordance with the resolution of the Board of Directors

22. **SUBSEQUENT EVENT**

The final dividend of Rs. 5.00 per share, amounting to Rs. 6,485 772 million for the fiscal year ended June 30, 2021 was approved at the Annual General Meeting of the holding company held on October 05, 2021. Hence, it will be accounted for in the period in which it is approved

23. **GENERAL**

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



M Habibullah Khan  
Chairman



Kamran Kamal  
Chief Executive



Abdul Nasir  
Chief Financial Officer

**ڈائریکٹرز کا جائزہ**  
**ڈائریکٹرز کی رپورٹ بسلسلہ انضمام شدہ اور غیر انضمام شدہ مالی گوشوارے برائے**  
**پہلی سہ ماہی مختتمہ 30 ستمبر، 2021ء**

بورڈ آف ڈائریکٹرز مسرت کے ساتھ، 30 ستمبر، 2021ء کو ختم ہونے والی پہلی سہ ماہی کے لیے، کمپنی کی مالی اور آپریشنل کارکردگی کا مختصر جائزہ پیش کرتا ہے۔

### اہم مالی جھلکیاں

زیر جائزہ عرصے میں انضمام شدہ خالص منافع 7,417 ملین روپے رہا جس کے نتیجے میں فی حصہ آمدنی 5.72 روپے ہوگئی جبکہ گزشتہ برس، اسی عرصے کے دوران، خالص منافع 8,144 ملین روپے تھا اور فی حصہ آمدنی 6.28 روپے تھی۔ منافع میں کمی کی بنیادی وجہ ٹرانسفا رمر کو بچنے والے نقصان کے باعث چائنا پاور جب جزییشن کمپنی لمیٹڈ (CPHGC) کے منافع میں حاصل ہونے والے حصہ میں کمی تھی جسے جزوی طور پر انتظامی اور مالی اخراجات میں کمی کے ذریعے پورا کیا گیا۔

اسی زیر جائزہ عرصے کے دوران غیر انضمام شدہ خالص منافع 4,427 ملین روپے رہا جس کے نتیجے میں فی حصہ آمدنی 3.41 روپے ہوگئی جبکہ گزشتہ برس، اسی عرصے کے دوران، خالص منافع 3,259 ملین روپے تھا اور فی حصہ آمدنی 2.51 روپے تھی۔ غیر انضمام شدہ خالص منافع میں اضافے کی بنیادی وجہ ٹیرف پروفا ئل کے مطابق ایکویٹی پر زیادہ منافع، انتظامی خدمات سے ہونے والی آمدنی اور انتظامی اور مالی اخراجات میں کمی تھی۔

بورڈ آف ڈائریکٹرز نے، مورخہ 29 اکتوبر، 2021ء کو منعقد ہونے والے اجلاس میں مورخہ 30 ستمبر، 2021ء کو ختم ہونے والی سہ ماہی کے لیے **xx** روپے فی حصہ منافع منقسم کا اعلان کیا ہے۔

### اہم آپریشنل جھلکیاں

زیر جائزہ عرصے کی اہم آپریشنل جھلکیاں درج ذیل ہیں:

تیکنیکی عوامل	حب	نارووال	لاریب	CPHGC
خالص الیکٹریکل آؤٹ پٹ (GWh)	527	267	100	1,221
لوڈ فیکٹر (%)	20	57	54	44

ادارتی ساخت، ہیڈ کاؤنٹ اور ایس ڈبلیو بی اسٹریٹیجی کی پاور سیکٹر کی کاروباری حرکیات کے ساتھ مطابقت پیدا کرنے کی غرض سے کارکردگی میں مزید بہتری کی جامع مشق کی گئی۔ اس مطابقت کا نتیجہ متواتر وقوع پذیر ہونے والی کمپنی کی لاگت میں نمایاں بچت ہوگی اور اسی کے ساتھ معیاری ٹیلنٹ کو برقرار رکھنے کے لیے بھی ترغیب پیدا ہوگی۔

## ترقیاتی پروجیکٹس

بھورے کونلے (Lignite) سے بجلی پیدا کرنے والے، تھر کے بلاک II میں قائم، تھرانز جی لمٹیڈ (TEL) کے 330MW کے پروجیکٹ کی تعمیر کا کم و بیش 77 فیصد کام مکمل ہو چکا ہے اور توقع ہے کہ یہ پلانٹ سنہ 2022ء کے پہلے نصف میں تجارتی بنیادوں پر پیداوار (COD) کے اہداف حاصل کر لے گا۔ حال ہی میں پروجیکٹ نے 10 ملین سیف مین ہاؤر (safe manhours) کا سنگ میل عبور کیا ہے۔

بھورے کونلے (Lignite) سے بجلی پیدا کرنے والے، تھر کے بلاک II میں قائم، تھل نو واپا و تھر (پرائیویٹ) لمٹیڈ کے پروجیکٹ کی تعمیر کا کم و بیش 53 فیصد کام مکمل ہو چکا ہے اور توقع ہے کہ یہ پروجیکٹ بھی سنہ 2022ء کے پہلے نصف میں تجارتی بنیادوں پر پیداوار (COD) کے اہداف حاصل کر لے گا۔ پروجیکٹ نے، اکتوبر، 2021ء میں اسٹیم ڈرم کی بلندی کا سنگ میل کامیابی سے عبور کر لیا ہے۔

جبکو نے اپنے کل ملکیتی ذیلی ادارے، حب پاور ہولڈنگز لمٹیڈ (HPHL) کے ذریعے چائنا پاور انٹرنیشنل مینیجمنٹ اینڈ انجینئرنگ کمپنی لمٹیڈ (CPIME) کے ساتھ جوائنٹ وینچر کے معاہدے کی شرائط (49% HPHL اور 51% CPIME) کو حتمی شکل دے دی ہے تاکہ چائنا حب جرنیشن کمپنی لمٹیڈ (CPHGC) کے 2x660MW کی گنجائش والے دو پلانٹس کو آپریشنز اور مینٹیننس (O&M) کی خدمات پیش کی جاسکیں۔ چائنا انٹرنیشنل چین میں بھی کونلے سے چلنے والے پلانٹس کو آپریشنز اور مینٹیننس کی خدمات فراہم کرتا رہا ہے اس جوائنٹ وینچر کے نتیجے میں، کونلے سے چلنے غیر معمولی طور پر اہم پلانٹس کو آپریشنز اور مینٹیننس کی خدمات کی فراہم کے لیے جبکو کی صلاحیتوں میں اضافہ ہوگا۔

سائٹ (SITE) کے صنعتی علاقے کے لیے گندے پانی کی ری سائیکلنگ کے پروجیکٹ پر کام مسلسل جاری ہے۔ کمپنی اور حکومت سندھ (GOS) کے درمیان سرکاری ونجی شراکت کے تحت اس پروجیکٹ کے لیے پیش گئے حکومت کو پیش کیے گئے USP کو قبول کر لیا گیا ہے اور اہم فریقین سے حاصل ہونے والی معلومات اور آراء کو بھی حتمی شکل کی جارہی ہے اور توقع ہے کہ بولی کا عمل جلد ہی شروع ہو جائے گا۔

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

حسب الحکم بورڈ

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