



The Hub Power Company Limited

Unaudited Financial Statements
for the Half Year Ended
December 31, 2017

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The Hub Power Company Limited

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CEO's Report Urdu

Company Information

Board of Directors

| | |
|-------------------------|-----------------|
| Hussain Dawood | Chairman |
| Khalid Mansoor | Chief Executive |
| Andalib Alavi | |
| Javed Akbar | |
| Iqbal Alimohamed | |
| Abdul Samad Dawood | |
| Shahzada Dawood | |
| Manzoor Ahmed | |
| Qaiser Javed | |
| Muhammad Sadiq Sanjrani | GOB Nominee |
| Ruhail Mohammed | |
| Muhammad Waseem Mukhtar | |
| Owais Shahid | |
| Inam Ur Rahman | |

Audit Committee

| | |
|------------------|----------|
| Iqbal Alimohamed | Chairman |
| Andalib Alavi | |
| Qaiser Javed | |
| Owais Shahid | |
| Ruhail Mohammed | |
| Manzoor Ahmed | |

Company Secretary

Shamsul Islam

Management Committee

Khalid Mansoor
Tahir Jawaid
Abdul Nasir
Nazoor Baig
Kamran Kamal

Saleemullah Memon

Shamsul Islam

M. Inam Ur Rehman Siddiqui

Farrukh Rasheed

**Registered & Head
Office**

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

Email: Info@hubpower.com

Website: <http://www.hubpower.com>

Principal Bankers

Allied Bank of Pakistan

Askari Bank Limited

Bank Alfalah Limited

Bank Al-Habib Limited

Bank Islami Pakistan Limited

Bank of Punjab

Al-Baraka Bank (Pakistan) Limited

Citibank N.A. Pakistan

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial & Commercial Bank of China

JS Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Pak Brunei Investment Company Limited

Pak China Investment Company Limited

Samba Bank Limited

Standard Chartered Bank (Pakistan) Ltd.

Sumitomo Mitsui Banking Corp. Europe Ltd, London
United Bank Limited

Inter-Creditor Agents

Habib Bank Limited
Allied Bank Limited
MCB Bank Limited

Legal Advisors

RIAA Barker Gillette

Auditors

EY Ford Rhodes, Chartered Accountants

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

Chief Executive's Report for second quarter ended December 31, 2017

The Company is pleased to present the consolidated and unconsolidated un-audited financial statements for the quarter ended December 31, 2017.

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

| | Half year ended December 31, 2017 | Half year ended December 31, 2016 |
|----------------------------|--------------------------------------|--------------------------------------|
| Rs. in Million | | |
| Turnover | 54,291 | 48,227 |
| Operating costs | 45,525 | 40,061 |
| Net Profit * | 5,298 | 5,069 |
| Earnings Per Share (Rs.) * | 4.58 | 4.38 |

* Attributable to the Owners of the holding company

Consolidated net profit during the period under review was Rs. 5,298 million, resulting in earnings per share of Rs. 4.58 compared to net profit of Rs. 5,069 million and earnings per share of Rs. 4.38 last year. The increase in profit is mainly due to lower repair and maintenance expenditures at Hub and Narowal Plants partly offset by lower profits of Laraib and higher administrative expenses.

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

| | Half year ended December 31, 2017 | Half year ended December 31, 2016 |
|--------------------------|--------------------------------------|--------------------------------------|
| Rs. in Million | | |
| Turnover | 43,362 | 37,852 |
| Operating costs | 38,428 | 33,095 |
| Net Profit | 4,129 | 4,200 |
| Earnings Per Share (Rs.) | 3.57 | 3.63 |

Unconsolidated net profit earned by the Company during the period under review was Rs. 4,129 million, resulting in earnings per share of Rs. 3.57 compared to net profit of Rs. 4,200 million and earnings per share of Rs. 3.63 last year. The decrease in profit is mainly due to net impact of Narowal Demerger, lower generation bonus and higher administrative expenses partly offset by higher dividend income from Laraib and lower repair and maintenance expenditure.

During the quarter under review, Hub Plant operated at an average load factor of 63% against the plan of 68%. Available capacity was 99% against the plan of 97%. Electricity sold to CPPA-G was 1,675 GWh as compared to planned dispatch of 1,798 GWh. During the quarter generation was slightly lower than plan due to lower dispatch by NTDC. Annual Dependable Capacity (ADC) test was performed successfully on December 26, 2017 achieving 1207.67MW. The test was witnessed by CPPA-G officials.

During the quarter Net Electrical Output (NEO) of Narowal Plant for the quarter was 269 GWh (2016-17 Q2 was 330 GWh) vs plan of 350 GWh. The load factor for the second quarter was 57% (2016-17 Q2 70%) vs plan of 74%.

During the quarter, Laraib plant generated 121.459 GWh at a load factor of 65.49% as against 103.110 GWh at a load factor of 56 % envisaged in the PPA. Overall, for the quarter, this corresponds to 18% more generation than the PPA target due to better hydrology. Demonstrated Complex Energy Test for the 5th Agreement Year was successfully completed by generating total energy of 2,106MWh against 2,016MWh required under the PPA. No forced outage occurred during the quarter with availability factor of 99.01%.

Growth Initiatives

1,320 MW Coal Project at Hub- China Power Hub Generation Limited (CPHGC)

The Project achieved Financial Close on January 26, 2018 and is progressing according to the plan to achieve COD by August 2019. The Company has also initiated the process for increasing its shareholding to 47.5% in the Project post the exercise of its Call Option as per the Shareholders Agreement.

330 MW Coal Project in Thar- Thar Energy Limited (TEL)

TEL is setting up 330MW mine mouth coal based Power Plant at Block 2, Thar. The EPC Contract for the Project has been signed with China Machinery and Engineering Corporation (CMEC) which performed preliminary activities on Site to expedite COD. TEL has signed the Power Purchase Agreement (PPA), Water Use Agreement (WUA), Implementation Agreement (IA) and Coal Supply Agreement (CSA) for the Project.

The Company has engaged China Development Bank (CDB) as the lead arranger for the foreign financing from China and Habib Bank as the lead arranger for the local financing and TEL has signed term sheets for both local and foreign financing.

Investment in Sindh Engro Coal Mining Company (SECMC)

Development of the mine at Block II continues in full stream. About 70 M BCM which is 62% of the total overburden volume has been removed. Project production expected to commence in June 2019. The Company has 8% stake in the Project.

The Company remains grateful to its shareholders, operators, employees and contractors for their confidence in the company and their tireless efforts in driving the Company on the path of growth and prosperity.



Khalid Mansoor
Chief Executive Officer

Karachi, February 19, 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **The Hub Power Company Limited** as at **31 December 2017**, the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity, together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner: Arslan Khalid

Date: 19 February 2018

Place: Karachi



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | Note | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) Re-presented | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) Re-presented |
|--|------|---|---|---|---|
| CONTINUING OPERATIONS | | | | | |
| Turnover | | 21,788,465 | 19,115,156 | 43,362,135 | 37,851,884 |
| Operating costs | 4 | (19,101,511) | (16,585,277) | (38,428,186) | (33,094,574) |
| GROSS PROFIT | | <u>2,686,954</u> | <u>2,529,879</u> | <u>4,933,949</u> | <u>4,757,310</u> |
| General and administration expenses | | (167,877) | (98,379) | (458,737) | (320,473) |
| Other income | 5 | 22,783 | 18,876 | 816,795 | 25,487 |
| Other operating expenses | 6 | (564) | - | (39,780) | - |
| PROFIT FROM OPERATIONS | | <u>2,541,296</u> | <u>2,450,376</u> | <u>5,252,227</u> | <u>4,462,324</u> |
| Finance costs | 7 | (587,629) | (466,208) | (1,054,003) | (894,089) |
| PROFIT BEFORE TAXATION | | <u>1,953,667</u> | <u>1,984,168</u> | <u>4,198,224</u> | <u>3,568,235</u> |
| Taxation | | (5,955) | - | (69,538) | - |
| PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS | | <u>1,947,712</u> | <u>1,984,168</u> | <u>4,128,686</u> | <u>3,568,235</u> |
| DISCONTINUED OPERATIONS | | | | | |
| Profit after taxation from discontinued operations | | - | 311,594 | - | 631,376 |
| PROFIT FOR THE PERIOD FROM CONTINUING AND DISCONTINUED OPERATIONS | | <u>1,947,712</u> | <u>2,295,762</u> | <u>4,128,686</u> | <u>4,199,611</u> |
| Basic and diluted earnings per share (Rupees) | | | | | |
| - Continuing operations | | 1.68 | 1.71 | 3.57 | 3.08 |
| - Discontinued operations | | - | 0.27 | - | 0.55 |
| | | <u>1.68</u> | <u>1.98</u> | <u>3.57</u> | <u>3.63</u> |

The annexed notes from 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

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Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|--|---|---|---|---|
| Profit for the period from continuing and discontinued operations | 1,947,712 | 2,295,762 | 4,128,686 | 4,199,611 |
| Other comprehensive (loss) / income for the period | | | | |
| <i>Items that will not be reclassified to Profit or Loss in subsequent periods</i> | | | | |
| (Loss) / gain on remeasurements of post employment benefit obligation | (11,724) | 8,088 | (9,273) | 5,473 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>1,935,988</u> | <u>2,303,850</u> | <u>4,119,413</u> | <u>4,205,084</u> |

The annexed notes from 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

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Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

Javed Akbar
Director




THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
BALANCE SHEET
AS AT DECEMBER 31, 2017

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|------|--|--------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Property, plant and equipment | 8 | 16,381,091 | 17,261,992 |
| Intangibles | | 30,419 | 45,333 |
| Long term investments | 9 | 12,554,985 | 11,174,093 |
| Long term deposits and prepayments | | 51,758 | 132,939 |
| | | 29,018,253 | 28,614,357 |
| CURRENT ASSETS | | | |
| Stores, spares and consumables | | 1,972,118 | 1,959,917 |
| Stock-in-trade | | 4,930,782 | 2,786,346 |
| Trade debts | 10 | 90,002,370 | 73,662,484 |
| Loans and advances | | 64,850 | 142,550 |
| Prepayments and other receivables | 11 | 8,928,637 | 6,590,754 |
| Cash and bank balances | | 939,802 | 1,222,934 |
| | | 106,838,559 | 86,364,985 |
| Non-current asset classified as held for sale | 5.1 | - | 3,665 |
| TOTAL ASSETS | | 135,856,812 | 114,983,007 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVE | | | |
| Share Capital | | | |
| Authorised | | 12,000,000 | 12,000,000 |
| Issued, subscribed and paid-up | | 11,571,544 | 11,571,544 |
| Revenue Reserve | | | |
| Unappropriated profit | | 7,404,794 | 7,913,999 |
| | | 18,976,338 | 19,485,543 |
| NON-CURRENT LIABILITIES | | | |
| Long term loans | | 5,338,660 | 5,432,133 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 86,014,461 | 67,372,823 |
| Interest / mark-up accrued | | 255,486 | 257,391 |
| Short term borrowings | 13 | 22,871,632 | 20,090,595 |
| Current maturity of long term loans | | 2,400,235 | 2,344,522 |
| | | 111,541,814 | 90,065,331 |
| TOTAL EQUITY AND LIABILITIES | | 135,856,812 | 114,983,007 |
| COMMITMENTS AND CONTINGENCIES | 14 | | |

The annexed notes from 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


Khalid Mansoor
Chief Executive


Abdul Nasir
Chief Financial Officer


Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | Note | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|--|------|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation including discontinued operations | | 4,198,224 | 4,199,910 |
| Adjustments for: | | | |
| Depreciation | | 955,235 | 1,439,963 |
| Amortisation | | 14,568 | 11,677 |
| Dividend income from subsidiaries | | (784,314) | - |
| Gain on disposal of fixed assets | | (2,258) | (1,476) |
| Provision against slow moving stores, spares and consumables | | 15,583 | 23,887 |
| Provision for workers' profit participation fund | | 39,780 | - |
| Staff gratuity | | 12,725 | 14,767 |
| Interest income | | (8,241) | (9,747) |
| Interest / mark-up | | 1,043,551 | 1,514,507 |
| Amortisation of transaction costs | | 4,457 | 35,749 |
| Operating profit before working capital changes | | <u>5,489,310</u> | <u>7,229,237</u> |
| Working capital changes | | (1,854,163) | (5,128,749) |
| Cash generated from operations | | <u>3,635,147</u> | <u>2,100,488</u> |
| Interest income received | | 8,161 | 9,745 |
| Interest / mark-up paid | | (1,045,456) | (1,517,774) |
| Staff gratuity paid | | (22,649) | (40,000) |
| Taxes paid | | (97,988) | (299) |
| Net cash generated from operating activities | | <u>2,477,215</u> | <u>552,160</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Dividend received from subsidiaries | | 784,314 | - |
| Fixed capital expenditure | | (79,980) | (604,706) |
| Proceeds from disposal of fixed assets | | 11,915 | 19,895 |
| Long term investments made | | (1,380,892) | (705,930) |
| Long term deposits and prepayments | | 81,181 | 1,759 |
| Net cash used in investing activities | | <u>(583,462)</u> | <u>(1,288,982)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid | | (4,915,704) | (6,162,181) |
| Proceeds from long term loans | | 1,121,007 | - |
| Repayment of long term loans | | (1,163,225) | (1,880,669) |
| Net cash used in financing activities | | <u>(4,957,922)</u> | <u>(8,042,850)</u> |
| Net decrease in cash and cash equivalents | | (3,064,169) | (8,779,672) |
| Cash and cash equivalents at the beginning of the period | | (18,867,661) | (13,260,148) |
| Cash and cash equivalents at the end of the period | 16 | <u>(21,931,830)</u> | <u>(22,039,820)</u> |

The annexed notes from 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


Khalid Mansoor
Chief Executive


Abdul Nasir
Chief Financial Officer


Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|---|--|--|
| ISSUED CAPITAL | | |
| Balance at the beginning of the period | 11,571,544 | 11,571,544 |
| Balance at the end of the period | <u>11,571,544</u> | <u>11,571,544</u> |
| UNAPPROPRIATED PROFIT | | |
| Balance at the beginning of the period | 7,913,999 | 16,007,117 |
| Profit for the period from continuing and discontinued operations | 4,128,686 | 4,199,611 |
| Other comprehensive (loss) / income for the period | (9,273) | 5,473 |
| Total comprehensive income for the period | 4,119,413 | 4,205,084 |
| Transactions with owners in their capacity as owners | | |
| Final dividend for the fiscal year 2016-2017 @ Rs. 2.50 (2015-2016 @ Rs. 3.00) per share | (2,892,886) | (3,471,463) |
| Interim dividend for the fiscal year 2017-2018 @ Rs. 1.50 (2016-2017 @ Rs. 1.50) per share | (1,735,732) | (1,735,732) |
| | (4,628,618) | (5,207,195) |
| Balance at the end of the period | <u>7,404,794</u> | <u>15,005,006</u> |
| TOTAL EQUITY | <u><u>18,976,338</u></u> | <u><u>26,576,550</u></u> |

The annexed notes from 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

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Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 under the repealed Companies Ordinance, 1984 (the "Ordinance"). The shares of the Company are listed on the Pakistan Stock Exchange (PSX). The principal activities of the Company are to develop, own, operate and maintain power stations. The Company owns an oil-fired power station of 1,200 MW (net) in Baluchistan (Hub plant).

The Company has the following subsidiaries:

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

Narowal demerger became effective on April 01, 2017 and all the related assets, liabilities, retained earnings, commitments and contingencies of Narowal plant were transferred to NEL. Consequently, the prior period profit and loss account is showing the results from continuing operations and discontinued operations (related to Narowal plant) separately.

2. BASIS OF PREPARATION

These condensed interim unconsolidated financial statements have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of and directives issued under the Ordinance 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, 2017. These condensed interim unconsolidated financial statements of the Company for the half year ended December 31, 2017 are unaudited but subject to limited scope review by the statutory auditors as required by applicable laws. The figures of the condensed interim unconsolidated profit and loss account for the quarters ended December 31, 2017 and 2016 have not been reviewed by the external auditors of the Company as they have reviewed the cumulative figures for the half years ended December 31, 2017 and 2016.

Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the Ordinance.

These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investments in subsidiaries and investment in associate 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, 2017, except for the adoption of new accounting standards and interpretations that did not have any material effect on these condensed interim unconsolidated financial statements.

4. OPERATING COSTS

| | | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) Re-presented | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) Re-presented |
|--------------------------------------|-----|---|---|---|---|
| Fuel cost | | 17,757,799 | 14,856,639 | 35,386,479 | 29,626,199 |
| Stores and spares | | 78,671 | 142,970 | 320,941 | 382,016 |
| Operation and maintenance | 4.1 | 464,625 | 383,327 | 929,250 | 752,388 |
| Insurance | | 125,446 | 138,999 | 254,287 | 277,870 |
| Depreciation | | 468,007 | 458,449 | 935,069 | 918,799 |
| Amortisation | | 5,809 | 5,167 | 11,599 | 9,005 |
| Repairs, maintenance and other costs | | 201,154 | 599,726 | 590,561 | 1,128,297 |
| | | <u>19,101,511</u> | <u>16,585,277</u> | <u>38,428,186</u> | <u>33,094,574</u> |

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

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| | Note | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) Re-presented | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) Re-presented |
|--|------|---|---|---|---|
| 5. OTHER INCOME | | | | | |
| Financial assets | | | | | |
| Interest income | | 4,829 | 4,429 | 8,241 | 8,782 |
| Non-financial assets | | | | | |
| Gain on disposal of fixed assets - net | 5.1 | 6,067 | 255 | 3,258 | 1,476 |
| Dividend income from subsidiaries | | - | - | 784,314 | - |
| Income from management services - net | 5.2 | 6,518 | - | 11,278 | - |
| Exchange gain | | 5,369 | 14,192 | 10,704 | 15,229 |
| | | 17,954 | 14,447 | 808,554 | 16,705 |
| | | 22,783 | 18,876 | 816,795 | 25,487 |

5.1 This includes loss recognized amounting to Rs. 3.842 million on the sale of 315 acres of land at hub site to China Power Hub Generation Company (Private) Limited (CPHGC) – associated company. The sale proceeds of the land sold to CPHGC have been passed on to the Power Purchaser of the Hub Plant, as approved by the shareholders of the Company in their Annual General Meeting held on October 18, 2016.

5.2 During the period, the Company entered into a services agreement with TEL (a subsidiary company). In accordance with the terms of the agreement, the Company will provide assistance to TEL in performance of its obligations under relevant agreements including Power Purchase Agreement, Coal Supply Agreement, Water Use Agreement, Implementation Agreement, EPC Contract and O&M Agreement.

| | Note | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) Re-presented | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) Re-presented |
|--|------|---|---|---|---|
| 6. OTHER OPERATING EXPENSES | | | | | |
| Workers' profit participation fund | 6.1 | 564 | - | 39,780 | - |
| 6.1 Workers' profit participation fund | | | | | |
| Provision for workers' profit participation fund | | 97,712 | 99,209 | 211,901 | 178,412 |
| Workers' profit participation fund recoverable from CPPA-G | | (97,148) | (99,209) | (172,121) | (178,412) |
| | | 564 | - | 39,780 | - |

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

| | | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) Re-presented | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) Re-presented |
|---------------------------------------|--|---|---|---|---|
| 7. FINANCE COSTS | | | | | |
| Interest / mark-up on long term loans | | 131,502 | 123,899 | 269,310 | 271,197 |
| Mark-up on short term borrowings | | 450,810 | 334,661 | 774,241 | 607,003 |
| Amortisation of transaction costs | | 1,854 | 3,477 | 4,457 | 7,628 |
| Other finance costs | | 3,463 | 4,171 | 5,995 | 8,261 |
| | | 587,629 | 466,208 | 1,054,003 | 894,089 |

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| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|------|--|--------------------------------------|
| 8. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating property, plant and equipment | | 16,228,243 | 17,049,483 |
| Capital work-in-progress | | 152,848 | 212,509 |
| | 8.1 | <u>16,381,091</u> | <u>17,261,992</u> |

8.1 Additions to property, plant and equipment during the period were Rs. 79,980 million and disposals therefrom at net book value were Rs. 9,657 million.

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|------|--|--------------------------------------|
| 9. LONG TERM INVESTMENTS - at cost | | | |
| Investment in subsidiaries | | | |
| Larab Energy Limited (LEL) | | 4,674,189 | 4,674,189 |
| Hub Power Services Limited (HPSL) | | 100 | 100 |
| Hub Power Holdings Limited (HPHL) | | 1,670,000 | 1,670,000 |
| Narawal Energy Limited (NEL) | | 3,921,883 | 3,921,883 |
| Thar Energy Limited (TEL) | 9.1 | <u>1,480,000</u> | <u>300,000</u> |
| | | 11,746,172 | 10,566,172 |
| Investment in associate | | | |
| Sindh Engro Coal Mining Company Limited (SECMC) | | 808,813 | 607,921 |
| | | <u>12,554,985</u> | <u>11,174,093</u> |

9.1 In relation to the TEL project, PPIB had issued the Letter of Support (LOS) to TEL on December 9, 2016. As per the terms of the LOS, the Company provided performance guarantee amounting to USD 1.65 million in favour of PPIB. The LOS required TEL to (i) achieve the Financial Closing of the Project no later than nine months from the date of LOS and (ii) enter into the Implementation Agreement (IA), Power Purchase Agreement (PPA) and Water Use Agreement (WUA) not later than three months prior to the Financial Closing date. On June 23, 2017, PPIB approved TEL's request for extension in the Financial Closing date of the Project up to March 9, 2018 subject to achievement of Commercial Operation Date (COD) on or before December 31, 2020. On January 24, 2018, PPIB has written TEL to achieve Financial Close before March 9, 2018. However, TEL's foreign lenders have requested to extend the Financial Closing date due to certain delays in their internal approval process. On February 2, 2018, TEL has requested PPIB to provide further extension of six months in the Financial Closing date i.e. till September 9, 2018. To fulfil the requirements to obtain LOS extension from PPIB, the Company may have to double the performance guarantee amount from USD 1.65 million to USD 3.30 million till December 9, 2018 and upon TEL paying extension fee. In case PPIB does not approve TEL's request for extension in Financial Closing date, PPIB will be entitled to encash the performance guarantee after March 9, 2018. The non-extension of the Financial Closing date will also require the Company to carry out an impairment assessment of its investment in TEL. The Company expects that PPIB will allow an extension in Financial Closing date.

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|----------------------------------|------|--|--------------------------------------|
| 10. TRADE DEBTS - Secured | | | |
| Considered good | 10.1 | <u>90,002,370</u> | <u>73,662,484</u> |

10.1 This includes an amount of Rs. 79,895 million (June 2017: Rs. 66,454 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.

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|--|------|--|--------------------------------------|
| 11. PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Prepayments | | 298,090 | 17,843 |
| Other receivables | | | |
| Interest accrued | | 82 | 2 |
| Income tax | | 1,912,347 | 1,912,347 |
| Sales tax | | 5,979,407 | 4,011,094 |
| Advance tax | | 125,175 | 96,725 |
| Receivable from LEL | | 4,949 | 6,455 |
| Receivable from HPSL | | 4,298 | 39,608 |
| Receivable from HPHL | | 46,424 | 42,150 |
| Receivable from NEL | | 2,592 | 73,379 |
| Receivable from TEL | | 14,947 | 2,681 |
| Workers' profit participation fund recoverable from CPPA-G | 6.1 | <u>519,131</u> | <u>347,010</u> |
| Miscellaneous | | 21,195 | 41,460 |
| | | 8,630,547 | 6,572,911 |
| | | <u>8,928,637</u> | <u>6,590,754</u> |

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12. TRADE AND OTHER PAYABLES

This includes Rs. 82,895 million (June 2017: Rs. 63,484 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 74,090 million (June 2017: Rs. 56,851 million).

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

| | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|-------------|--|--------------------------------------|
| Note | | |

13. SHORT TERM BORROWINGS - Secured

| | | | |
|-------------------------------------|--------------|------------|------------|
| Finances under mark-up arrangements | 13.1 to 13.3 | 22,871,632 | 20,090,595 |
|-------------------------------------|--------------|------------|------------|

13.1 The facilities for running finance available from various banks / financial institutions amounted to Rs. 27,800 million (June 2017: Rs. 25,550 million) at mark-up ranging between 0.30% to 1.75% per annum above one / three month KIBOR. The mark-up on the facilities is payable on monthly / quarterly basis in arrear. The facilities will expire during the period from March 31, 2018 to November 22, 2018. Any late payment by the Company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. The facilities are secured by way of charge over the trade debts and stocks of the Company pari passu with the existing charge.

13.2 The Company also has entered into a Musharaka agreement amounting to Rs. 400 million (June 2017: Rs. 400 million) at a mark-up of 0.5% per annum above three month KIBOR. The mark-up on the facility is payable on quarterly basis in arrear. This facility will expire on September 30, 2018. Any late payment by the Company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. This facility is secured by way of securities mentioned in note 13.1.

13.3 This includes a sum of Rs. 450 million (June 2017: Rs. 1,407 million) payable to associated undertakings. The available facilities amounted to Rs. 500 million (June 2017: Rs. 1,500 million). These facilities are secured by way of securities mentioned in note 13.1.

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, 2017, except as follows:

14.1 The Company has entered into Predictivity Enhancements and Performance Improvements Agreement (PEPI) with General Electric Global Services GmbH (GE). Under such agreement, GE will propose technical solutions including supply of equipment to improve the efficiency of the Hub plant. If PEPI is terminated prior to March 31, 2037, other than for the specified reasons but including due to the expiration of the PPA, the Company may be liable to pay USD 1.5 million to GE.

Currently there appears to be some confusion between GE and the Company with regards to the interpretation of the clauses of the PEPI for which negotiations are proposed to be commenced in the week of February 19, 2018.

14.2 Under the O&M agreement with the ex-operator for the Hub plant, the Company used to pay fixed and variable fees to the operator. In December 2017, the FBR issued a Show Cause Notice amounting to Rs. 911 million relating to the tax years 2014 to 2017 for the recovery of Federal Excise Duty (FED). The FBR viewed O&M as a franchise agreement and not a service agreement and decided that payments made thereon were in nature of technical fees which were subject to FED. The Company filed a writ petition in the Islamabad High Court (IHC) which has asked the FBR not to issue any demand till next hearing. The Company's maximum exposure as at December 31, 2017 is approximately Rs. 911 million.

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

14.3 In connection with the development of the 2 x 660 MW Coal project:

(i) An irrevocable Standby Letter of Credit (SBLC) was issued in favour of CPHGC on November 24, 2017 amounting to USD 150 million, securing the Company's obligations to make payment for Funding Shortfall Support and Debt Service Undertakings. The Company entered into a SBLC facility agreement with various banks on October 23, 2017 to facilitate the issuance of SBLC which is valid till earlier of (i) four years from the facility effective date or (ii) the achievement of the Project Completion Date. The facility is secured against pari passu charge on all assets of the Hub Plant other than current assets.

(ii) CPHGC has provided Letter of Credit to CPPA-G (PPA LC) as required under the PPA amounting to USD 33,385 million. In case PPA LC is encashed and the Company's share of contribution cannot be encashed from the Completion Guarantee, which results in encashment of CPH's LC security in excess of CPH share proportion, the Company is committed to pay its due share to CPH subject to relevant Board and Shareholders' approval, as per the terms of the Amended and Restated Shareholders' Agreement.

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15. RELATED PARTY TRANSACTIONS AND BALANCES

Related party comprises subsidiaries, associated companies, companies where directors also hold directorship, retirement benefit funds and key management personnel. Significant transactions and balances with related parties, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

15.1 Details of Transactions

| | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|--|---|---|
| Subsidiaries | | |
| Subsidiary - Laraib Energy Limited | | |
| Reimbursable expenses incurred on behalf of subsidiary | 21,552 | 26,390 |
| Receipts against reimbursement of expenses from subsidiary | 21,633 | 6,856 |
| Dividend received | 521,548 | 500,685 |
| Receipt against disposal of an asset | 1,425 | - |
| Subsidiary - Hub Power Services Limited | | |
| Reimbursable expenses incurred on behalf of subsidiary | 17,113 | 99,324 |
| Receipts against reimbursement of expenses from subsidiary | 62,137 | - |
| Reimbursable expenses incurred by subsidiary | 3,431 | - |
| Payments against reimbursement of expenses to subsidiary | 2,859 | - |
| Amount paid for O&M services rendered by subsidiary | 1,054,602 | 1,039,248 |
| Advances to subsidiary | - | 34,000 |
| Advances repaid by subsidiary | - | 54,000 |
| Disposal of assets | - | 12,372 |
| Subsidiary - Hub Power Holdings Limited | | |
| Investment in subsidiary | - | 424,000 |
| Reimbursable expenses incurred on behalf of subsidiary | 5,375 | 93,650 |
| Receipts against reimbursement of expenses from subsidiary | 1,100 | 7,099 |
| Subsidiary - Narowal Energy Limited | | |
| Reimbursable expenses incurred on behalf of subsidiary | 29,000 | 127 |
| Receipts against reimbursement of expenses from subsidiary | 99,787 | - |
| Reimbursable expenses incurred by subsidiary | 302,705 | - |
| Payments against reimbursement of expenses to subsidiary | 302,705 | - |
| Dividend received | 262,766 | - |
| Subsidiary - Thar Energy Limited | | |
| Investment in subsidiary | 1,180,000 | 250,000 |
| Reimbursable expenses incurred on behalf of subsidiary | 5,178 | 36,321 |
| Receipts against reimbursement of expenses from subsidiary | 8,269 | 22,538 |
| Reimbursable expenses incurred by subsidiary | 7,098 | - |
| Payments against reimbursement of expenses to subsidiary | 7,632 | - |
| Transfer of assets to subsidiary | 8,256 | - |
| Receipts against transfer of assets from subsidiary | 4,429 | - |
| Transfer of assets by subsidiary | 5,776 | - |
| Payments against transfer of assets to subsidiary | 1,949 | - |
| Services rendered to subsidiary | 120,223 | - |
| Advance received against services agreement | 119,102 | - |

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| | Note | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|---|-----------------|---|---|
| Associates | | | |
| Investment in SECMC | | 200,892 | 31,929 |
| Proceeds from disposal of land to CPHGC | | 189,341 | - |
| Associated Undertakings due to common directorship | | | |
| Amount paid for services rendered | | 1,063 | 573 |
| Donation | | 1,000 | 500 |
| Procurement of stores, spares and consumables | | - | 2,394 |
| Proceeds from long term loans | | 161,203 | - |
| Repayment of long term loans | | 60,994 | 305,888 |
| Interest / mark-up on long term loans | | 34,271 | 204,622 |
| Mark-up on short term borrowings | | 23,432 | 72,678 |
| Other finance costs | | 283 | 2,115 |
| Other related parties | | | |
| Proceeds from disposal of an asset | | - | 10 |
| Remuneration to key management personnel | | | |
| Salaries, benefits and other allowances | | 197,858 | 101,057 |
| Retirement benefits | | 3,336 | 5,112 |
| | 15.1.1 & 15.1.3 | 201,194 | 106,169 |
| Directors' fee | 15.1.2 | 5,100 | 10,100 |
| Contribution to staff retirement benefit plans | | 27,904 | 49,792 |

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. 11,793 million (Dec 2016: Rs. 79,571 million).

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

15.2 Details of Balances

| | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|--|--------------------------------------|
| Associated Undertakings due to common directorship | | |
| Outstanding balance of long term loans | 760,951 | 1,279,825 |
| Accrued markup on long term loans | 12,611 | 17,346 |
| Accrued markup on short term borrowings | 1,572 | 24,321 |
| Other related parties | | |
| Payable to staff retirement benefit plan | 17,617 | 17,649 |

16. CASH AND CASH EQUIVALENTS

| | Dec 2017 (Rs. '000s) (Unaudited) | Dec 2016 (Rs. '000s) (Unaudited) |
|-------------------------------------|--|--|
| Cash and bank balances | 939,802 | 1,597,211 |
| Finances under mark-up arrangements | (22,871,632) | (23,637,031) |
| | (21,931,830) | (22,039,820) |

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17. SUBSEQUENT EVENTS

The Board of Directors declared an interim dividend for the half year ended December 31, 2017 of Rs. 1.50 per share, amounting to Rs. 1,735.732 million, at their meeting held on February 19, 2018. These condensed interim unconsolidated financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

18. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on February 19, 2018 in accordance with the resolution of the Board of Directors.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Khalid Mansoor
Chief Executive

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

Abdul Nasir
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Javed Akbar".

Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | Note | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|---|-----------|---|---|---|---|
| Turnover | | 26,951,163 | 24,553,038 | 54,291,096 | 48,227,128 |
| Operating costs | 4 | (22,362,647) | (20,247,288) | (45,524,782) | (40,060,524) |
| GROSS PROFIT | | 4,588,516 | 4,105,750 | 8,766,314 | 8,166,604 |
| General and administration expenses | | (350,897) | (289,755) | (788,431) | (640,310) |
| Other income | | 48,827 | 78,279 | 80,136 | 113,456 |
| Other operating expenses | 5 | (564) | - | (39,780) | - |
| PROFIT FROM OPERATIONS | | 4,285,882 | 3,894,274 | 8,018,239 | 7,639,750 |
| Finance costs | 6 | (1,138,626) | (1,054,369) | (2,155,644) | (2,061,709) |
| Gain on dilution of interest in associate | 8.1 | - | - | - | 1,191 |
| Share of loss from associates | 8.1 & 8.2 | (62,173) | (55,749) | (106,799) | (99,032) |
| PROFIT BEFORE TAXATION | | 3,085,083 | 2,784,156 | 5,755,796 | 5,480,200 |
| Taxation | | (72,122) | (65,744) | (194,242) | (109,807) |
| PROFIT FOR THE PERIOD | | 3,012,961 | 2,718,412 | 5,561,554 | 5,370,393 |
| Attributable to | | | | | |
| - Owners of the holding company | | 2,914,181 | 2,604,710 | 5,297,691 | 5,069,446 |
| - Non-controlling interest | | 98,780 | 113,702 | 263,863 | 300,947 |
| | | 3,012,961 | 2,718,412 | 5,561,554 | 5,370,393 |
| Basic and diluted earnings per share attributable to owners of the holding company (Rupees) | | 2.52 | 2.25 | 4.58 | 4.38 |

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

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | 3 months ended Dec 2017 (Rs. '000s) | 3 months ended Dec 2016 (Rs. '000s) | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|--|---|---|---|---|
| Profit for the period | 3,012,961 | 2,718,412 | 5,561,554 | 5,370,393 |
| Other comprehensive Income / (loss) for the period | | | | |
| <i>Items that will not be reclassified to profit or loss in subsequent periods</i> | | | | |
| Gain / (loss) on remeasurement of post employment benefits obligation | 2,715 | 16,663 | (22,376) | 11,074 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>3,015,676</u> | <u>2,735,075</u> | <u>5,539,178</u> | <u>5,381,467</u> |
| Attributable to: | | | | |
| - Owners of the holding company | 2,916,896 | 2,621,373 | 5,275,315 | 5,080,520 |
| - Non-controlling interest | 98,780 | 113,702 | 263,863 | 300,947 |
| | <u>3,015,676</u> | <u>2,735,075</u> | <u>5,539,178</u> | <u>5,381,467</u> |

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

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
BALANCE SHEET
AS AT DECEMBER 31, 2017

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|------|--|--------------------------------------|
| <u>ASSETS</u> | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Property, plant and equipment | 7 | 51,497,257 | 52,624,435 |
| Intangibles | | 1,456,831 | 1,474,850 |
| Investment in associates | 8 | 2,014,397 | 1,924,412 |
| Long term deposits and prepayments | | 66,903 | 144,213 |
| | | 55,035,388 | 56,167,910 |
| CURRENT ASSETS | | | |
| Stores, spares and consumables | | 3,265,662 | 3,273,033 |
| Stock-in-trade | | 5,448,881 | 3,442,694 |
| Trade debts | 9 | 103,615,458 | 85,613,761 |
| Loans and advances | | 124,852 | 194,617 |
| Deposits, prepayments and other receivables | 10 | 9,499,129 | 7,063,765 |
| Cash and bank balances | | 4,297,245 | 3,860,355 |
| | | 126,251,227 | 103,448,225 |
| Non - current asset classified as held for sale | | - | 3,665 |
| TOTAL ASSETS | | 181,286,615 | 159,619,800 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| SHARE CAPITAL AND RESERVE | | | |
| Share Capital | | | |
| Authorised | | 12,000,000 | 12,000,000 |
| Issued, subscribed and paid-up | | 11,571,544 | 11,571,544 |
| Revenue Reserve | | | |
| Unappropriated profit | | 21,699,694 | 21,859,945 |
| Attributable to owners of the holding company | | 33,271,238 | 32,631,489 |
| NON-CONTROLLING INTEREST | | 2,456,569 | 2,367,012 |
| | | 35,727,807 | 34,998,501 |
| NON-CURRENT LIABILITIES | | | |
| Long term loans | | 19,535,742 | 21,332,613 |
| Liabilities against assets subject to finance lease | | 2,193,697 | 2,239,679 |
| | | 21,729,439 | 23,572,292 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 88,017,177 | 68,909,373 |
| Interest / mark-up accrued | | 868,542 | 883,002 |
| Short term borrowings | 12 | 28,248,862 | 24,846,559 |
| Current maturity of long term loans | | 6,359,205 | 6,096,922 |
| Current maturity of liabilities against assets subject to finance lease | | 330,927 | 313,106 |
| Taxation-net | | 4,656 | 45 |
| | | 123,829,369 | 101,049,007 |
| TOTAL EQUITY AND LIABILITIES | | 181,286,615 | 159,619,800 |
| COMMITMENTS AND CONTINGENCIES | 13 | | |

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



Khalid Mansoor
Chief Executive


Abdul Nasir
Chief Financial Officer



Javed Akbar
Director




THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 5,755,796 | 5,480,200 |
| Adjustments for: | | |
| Depreciation | 2,020,641 | 1,913,327 |
| Amortisation | 17,673 | 11,800 |
| Gain on disposal of fixed assets | (3,537) | (1,529) |
| Provision against slow moving stores, spares and consumables | 26,236 | 23,887 |
| Provision for workers' profit participation fund | 39,780 | - |
| Share of loss from associates | 106,799 | 99,032 |
| Gain on dilution of interest in an associate | - | (1,191) |
| Staff gratuity | 30,470 | 27,888 |
| Interest income | (64,191) | (71,428) |
| Interest / mark-up | 2,038,952 | 1,920,964 |
| Amortisation of transaction costs | 54,867 | 67,003 |
| Operating profit before working capital changes | <u>10,023,486</u> | <u>9,469,953</u> |
| Working capital changes | <u>(3,032,890)</u> | <u>(5,206,718)</u> |
| Cash generated from operations | <u>6,990,596</u> | <u>4,263,235</u> |
| Interest income received | 62,684 | 68,272 |
| Interest / mark-up paid | (2,053,412) | (1,947,846) |
| Staff gratuity paid | (70,437) | (44,549) |
| Taxes paid | (233,440) | (99,258) |
| Net cash generated from operating activities | <u>4,695,991</u> | <u>2,239,854</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (374,369) | (698,108) |
| Proceeds from disposal of fixed assets | 12,522 | 11,651 |
| Investment in associates | (200,892) | (304,929) |
| Long term deposits and prepayments | 77,310 | 6,043 |
| Net cash used in investing activities | <u>(485,429)</u> | <u>(985,343)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid to owners of the holding company | (4,915,704) | (6,162,181) |
| Dividends paid to non controlling interest | (174,306) | (167,334) |
| Proceeds from long term loans | 1,121,007 | - |
| Repayment of long term loans | (3,047,922) | (2,507,847) |
| Repayment of liabilities against assets subject to finance lease | (156,210) | (161,477) |
| Share issue cost | (2,840) | (3,751) |
| Net cash used in financing activities | <u>(7,175,975)</u> | <u>(9,002,590)</u> |
| Net decrease in cash and cash equivalents | <u>(2,965,413)</u> | <u>(7,748,079)</u> |
| Cash and cash equivalents at the beginning of the period | <u>(20,986,204)</u> | <u>(9,967,687)</u> |
| Cash and cash equivalents at the end of the period | <u>16</u> <u>(23,951,617)</u> | <u>(17,715,766)</u> |

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


Khalid Mansoor
Chief Executive


Abdul Nasseer
Chief Financial Officer


Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|---|---|---|
| ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY | | |
| ISSUED CAPITAL | | |
| Balance at the beginning of the period | 11,571,544 | 11,571,544 |
| Balance at the end of the period | <u>11,571,544</u> | <u>11,571,544</u> |
| UNAPPROPRIATED PROFIT | | |
| Balance at the beginning of the period | 21,059,945 | 19,634,379 |
| Profit for the period | 5,297,691 | 5,069,446 |
| Other comprehensive (loss) / income for the period | (22,376) | 11,074 |
| Total comprehensive income for the period | 5,275,315 | 5,080,520 |
| Share issue cost | (6,948) | (7,716) |
| Transactions with owners in their capacity as owners | | |
| Final dividend for the fiscal year 2016-2017 @ Rs 2.50 (2015-2016 @ Rs 3.00) per share | (2,892,886) | (3,411,463) |
| Interim dividend for the fiscal year 2017-2018 @ Rs 1.50 (2016-2017 @ Rs 1.50) per share | (1,735,732) | (1,735,732) |
| | (4,628,618) | (5,207,195) |
| Balance at the end of the period | <u>21,699,694</u> | <u>19,499,988</u> |
| Attributable to owners of the holding company | <u>33,271,238</u> | <u>31,071,532</u> |
| NON-CONTROLLING INTEREST | | |
| Balance at the beginning of the period | 2,367,012 | 2,038,687 |
| Total comprehensive income for the period | 263,863 | 300,947 |
| Dividend paid | (174,306) | - |
| Balance at the end of the period | <u>2,456,569</u> | <u>2,339,634</u> |
| TOTAL EQUITY | <u>35,727,807</u> | <u>33,411,166</u> |

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

Khalid Mansoor
Chief Executive

Abdul Naveg
Chief Financial Officer

Javed Akbar
Director



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 under the repealed Companies Ordinance, 1984 (the "Ordinance"). 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),
- Larab Energy Limited (LEL) - Holding of 74.95%;
- Hub Power Holdings Limited (HPHL) - Holding of 100%;
- Hub Power Services Limited (HPSL) - Holding of 100%;
- Narowal Energy Limited (NEL) - Holding of 100%; and
- Thar Energy Limited (TEL) - Holding of 100%.

Thar Energy Limited

In relation to the TEL project, Private Power and Infrastructure Board (PPIB) had issued the Letter of Support (LOS) to TEL on December 9, 2016. As per the terms of the LOS, the holding company provided performance guarantee amounting to USD 1.65 million in favour of PPIB. The LOS required TEL to (i) achieve the Financial Closing of the Project no later than nine months from the date of LOS and (ii) enter into the Implementation Agreement (IA), Power Purchase Agreement (PPA) and Water Use Agreement (WUA) not later than three months prior to the Financial Closing date. On June 23, 2017, PPIB approved TEL's request for extension in the Financial Closing date of the Project up to March 9, 2018 subject to achievement of Commercial Operation Date (COD) on or before December 31, 2020. On January 24, 2018, PPIB has written TEL to achieve Financial Close before March 9, 2018. However, TEL's foreign lenders have requested to extend the Financial Closing date due to certain delays in their internal approval process. On February 2, 2018, TEL has requested PPIB to provide further extension of six months in the Financial Closing date i.e. till September 9, 2018. To fulfil the requirements to obtain LOS extension from PPIB, the holding company may have to double the performance guarantee amount from USD 1.65 million to USD 3.30 million till December 9, 2018 and upon TEL paying extension fee. In case PPIB does not approve TEL's request for extension in Financial Closing date, PPIB will be entitled to encash the performance guarantee after March 9, 2018. The non-extension of the Financial Closing date will also require the holding company to carry out an impairment assessment of its investment in TEL. The holding company expects that PPIB will allow an extension in Financial Closing date.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of and directives issued under the Ordinance 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 annual consolidated financial statements for the year ended June 30, 2017.

Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the Ordinance.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim consolidated financial statements are same as those applied in preparing the annual consolidated financial statements for the year ended June 30, 2017, except for the adoption of new accounting standards and interpretations that did not have any material effect on these condensed interim consolidated financial statements.



| Note | 3 months ended | 3 months ended | 6 months ended | 6 months ended |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Dec 2017 (Rs. '000s) | Dec 2016 (Rs. '000s) | Dec 2017 (Rs. '000s) | Dec 2016 (Rs. '000s) |
| 4. OPERATING COSTS | | | | |
| Fuel cost | 20,133,588 | 17,350,196 | 40,629,489 | 34,375,376 |
| Water use charges | 40,519 | 44,736 | 71,066 | 131,544 |
| Salaries, benefits and other allowances | 343,555 | 311,068 | 671,391 | 568,964 |
| Stores and spares | 178,751 | 533,922 | 697,308 | 1,059,845 |
| Operation and maintenance | 86,898 | 81,715 | 170,815 | 164,633 |
| Insurance | 197,805 | 215,828 | 396,667 | 431,409 |
| Depreciation | 1,033,456 | 942,693 | 1,990,088 | 1,883,883 |
| Amortisation | 7,078 | 5,167 | 14,138 | 9,005 |
| Repairs, maintenance and other costs | 340,997 | 761,963 | 883,820 | 1,435,865 |
| | 22,362,647 | 20,247,288 | 45,524,782 | 40,060,524 |

5. OTHER OPERATING EXPENSES

| | | | | | |
|---|----|------------|-----------|---------------|-----------|
| Workers' profit participation fund | 51 | 564 | - | 39,780 | - |
| 51 Workers' profit participation fund | | | | | |
| Provision for workers' profit participation fund | | 130,477 | 114,796 | 267,776 | 209,996 |
| Workers' profit participation fund recoverable from CPPA-G / NTDC | | (129,913) | (114,796) | (227,996) | (209,996) |
| | | 564 | - | 39,780 | - |

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 this expense from the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) / National Transmission and Despatch Company Limited (NTDC) as a pass through item.

| | 3 months ended | 3 months ended | 6 months ended | 6 months ended |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Dec 2017 (Rs. '000s) | Dec 2016 (Rs. '000s) | Dec 2017 (Rs. '000s) | Dec 2016 (Rs. '000s) |
| 6. FINANCE COSTS | | | | |
| Interest / mark-up on long term loans | 497,234 | 547,719 | 1,013,221 | 1,129,172 |
| Interest on finance lease | 39,599 | 41,829 | 78,582 | 83,778 |
| Mark-up on short term borrowings | 543,860 | 395,443 | 947,149 | 708,014 |
| Amortisation of transaction costs | 26,976 | 33,120 | 54,867 | 67,003 |
| Other finance costs | 30,957 | 36,258 | 61,825 | 73,742 |
| | 1,138,626 | 1,054,369 | 2,155,644 | 2,061,709 |

| | Dec 2017 (Rs. '000s) | Jun 2017 (Rs. '000s) |
|------|-------------------------|-------------------------|
| Note | (Unaudited) | (Audited) |

7. PROPERTY, PLANT AND EQUIPMENT

| | | | |
|---|-----|-------------------|-------------------|
| Operating property, plant and equipment | | 50,653,714 | 52,034,108 |
| Capital work-in-progress | | | |
| Holding company | | 152,848 | 212,509 |
| NEL | | 55,758 | 39,920 |
| LEL | | 20,826 | 20,026 |
| TEL | | 614,111 | 317,872 |
| | | 843,543 | 590,327 |
| | 7.1 | 51,497,257 | 52,624,435 |



7 | Additions to property, plant and equipment during the current period were Rs 839 879 million, out of which Rs 465 509 million relates to exchange loss capitalized on related foreign currency loans, and disposals therefrom at net book value were Rs 8 990 million.

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|------|--|--------------------------------------|
| 8. INVESTMENT IN ASSOCIATES | | | |
| Associates - unquoted | | | |
| Investment in Sindh Engro Coal Mining Company Limited - (SECMC) | 8.1 | 806,044 | 606,022 |
| Investment in China Power Hub Generation Company (Private) Limited - (CPHGC) | 8.2 | 1,208,353 | 1,318,390 |
| | | <u>2,014,397</u> | <u>1,924,412</u> |
| 8.1 Investment in Sindh Engro Coal Mining Company Limited - (SECMC) | | | |
| Opening investment | | 606,022 | 575,206 |
| Investment made during the period / year | | 200,892 | 31,929 |
| Share of loss from associate | | (870) | (2,304) |
| Gain on dilution of interest | | - | 1,191 |
| | | <u>806,044</u> | <u>606,022</u> |
| 8.2 Investment in China Power Hub Generation Company (Private) Limited - (CPHGC) | | | |
| Opening investment | | 1,318,390 | 414,199 |
| Investment made during the period / year | | - | 1,092,000 |
| Share of loss from associate | | (105,929) | (183,844) |
| Share of transaction costs | | (4,108) | (3,965) |
| | | <u>1,208,353</u> | <u>1,318,390</u> |
| 9. TRADE DEBTS - secured | | | |
| Considered good | 9.1 | <u>103,615,458</u> | <u>85,613,761</u> |

9.1 | These receivables include an overdue amount of Rs 79,895 million (June 2017: Rs 66,454 million) from CPPA-G and Rs 9,806 million (June 2017: Rs 7,088 million) from NTDC. These are not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreements.

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



| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|---|------|--|--------------------------------------|
| 10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Deposits | | 175 | 175 |
| Prepayments | | 443,960 | 59,666 |
| Other receivables | | | |
| Interest accrued | | 5,989 | 4,483 |
| Income tax | | 1,912,347 | 1,912,956 |
| Sales tax | | 6,199,360 | 4,399,795 |
| Advance tax | | 168,999 | 124,633 |
| Receivable from CPHGC | | 46,156 | 41,826 |
| Workers' profit participation fund recoverable from CPPA-G / NTDC | 51 | 682,932 | 454,936 |
| Miscellaneous | | 39,211 | 65,295 |
| | | <u>9,054,994</u> | <u>7,003,924</u> |
| | | <u>9,499,129</u> | <u>7,063,765</u> |

11. TRADE AND OTHER PAYABLES

These include a sum of Rs 82,895 million (June 2017: Rs 63,484 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs 74,090 million (June 2017: Rs 56,851 million)

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

| | Note | Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|--|--------------|--|--------------------------------------|
| 12. SHORT TERM BORROWINGS - secured | | | |
| Finances under mark-up arrangements | 12.1 to 12.7 | <u>28,248,862</u> | <u>24,846,559</u> |

- 12.1 The facilities of the holding company for running finance available from various banks / financial institutions amounted to Rs. 27,800 million (June 2017: Rs 25,550 million) at mark-up ranging between 0.30% to 1.75% per annum above one / three month KIBOR. The mark-up on the facilities is payable on monthly / quarterly basis in arrear. The facilities will expire during the period from March 31, 2018 to November 22, 2018. Any late payment by the holding company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. The facilities are secured by way of charge over the trade debts and stocks of the holding company pari passu with the existing charge.
- 12.2 The holding company also has entered into a Musharaka agreement amounting to Rs 400 million (June 2017: Rs 400 million) at a mark-up of 0.5% per annum above three month KIBOR. The mark-up on the facility is payable on quarterly basis in arrear. This facility will expire on September 30, 2018. Any late payment by the holding company is subject to an additional payment of 2.00% per annum above the normal mark-up rate. This facility is secured by way of securities mentioned in note 12.1.
- 12.3 This includes a sum of Rs 450 million (June 2017: Rs 1,407 million) payable to associated undertakings. The available facilities amounted to Rs. 500 million (June 2017: Rs. 1,500 million). These facilities are secured by way of securities mentioned in note 12.1.
- 12.4 The facilities of NEL for running finance available from various banks / financial institutions amounted to Rs 4,425 million (June 2017: 4,425 million) at mark-up ranging between 0.6% to 2.00% per annum above one / three month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrears. The facilities will expire during the period commencing March 14, 2018 to October 02, 2018. Any late payment by the NEL is subject to an additional payment of 2.00% per annum above the normal mark-up rate.

12.4.1 The facilities are secured by way of:

- (a) a first ranking charge on all present and future (i) amounts standing to the credit of the Energy Payment Collection Account and the Master Facility Account, (ii) Fuel, lube, fuel stocks at the plant, and (iii) the Energy Payment Receivables of NEL
- (b) a subordinated charge on all present and future plant, machinery and equipment and other moveable assets of NEL excluding: (i) the immovable properties, (ii) Hypothecated Assets under first ranking charge, (iii) the Energy Payment Collection Account, Working Capital Facility Accounts and the Master Facility Account, (iv) the Energy Payment Receivables, (v) all of the NEL's right, title and interest in the Project Documents (including any receivables thereunder); and (vi) all current assets

- 12.5 NEL has Murabaha facility agreements with banks for an amount of Rs. 625 million (June 2017: 625 million) at a mark-up of 0.6% and 1.5% per annum above three month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrears. These facilities will expire on August 26, 2018. Any late payment by NEL is subject to an additional payment of 2.00% per annum above the normal mark-up rate. These facilities are secured by way of securities mentioned in note 12.4.
- 12.6 NEL has entered into Musharaka agreements amounting to Rs. 1,135 million (June 2017: 1,135 million). Mark-up on these facilities range from 0.60% and 0.75% per annum above three month KIBOR. The mark-up on the facilities are payable on quarterly basis in arrears. These facilities will expire on February 28, 2018 and September 30, 2018. Any late payment by NEL is subject to an additional payment of 2.00% per annum above the normal mark-up rate. These facilities are secured by way of securities mentioned in note 12.4.
- 12.7 NEL has entered into various running finance facilities with Askari Bank Limited (an associated undertaking) and Silk Bank Limited amounting to Rs. 250 million from each bank, which were unutilized at the period end. These facilities carry mark-up at the rate of 1.75% per annum above three month KIBOR payable on quarterly basis in arrears. The facilities are secured by way of subordinated charge over the current assets (including receivables, advances, deposits and prepayments) of the LLL. The facilities will expire on February 28, 2018.

13. 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, 2017, except as follows.

- 13.1 The holding company has entered into Predictivity Enhancements and Performance Improvements Agreement (PEPI) with General Electric Global Services GmbH (GE). Under such agreement, GE will propose technical solutions including supply of equipment to improve the efficiency of the Hub plant. If PEPI is terminated prior to March 31, 2017, other than for the specified reasons but including due to the expiration of the PPA, the holding company may be liable to pay USD 1.5 million to GE.

Currently there appears to be some confusion between GE and the holding company with regards to the interpretation of the clauses of the PEPI for which negotiations are proposed to be commenced in the week of February 19, 2018.

- 13.2 Under the O&M agreement with the ex-operator for the Hub plant, the holding company used to pay fixed and variable fees to the operator. In December 2017, the FBR issued a Show Cause Notice amounting to Rs. 911 million relating to the tax years 2014 to 2017 for the recovery of Federal Excise Duty (FED). The FBR viewed O&M as a franchise agreement and not a service agreement and decided that payments made thereon were in nature of technical fees which were subject to FED. The holding company filed a writ petition in the Islamabad High Court (IHC) which has asked the FBR not to issue any demand till next hearing. The holding company's maximum exposure as at December 31, 2017 is approximately Rs. 911 million.

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

- 13.3 In connection with the operations of HPSL:

The holding company and International Power Global Development Limited (IPGDL) entered into Operations & Maintenance Agreement (OMA). The OMA was terminated through Termination Agreement (TA).

The FBR issued notice to HPSL stating that IPGDL had defaulted tax amounting to Rs. 184.9 million and asked HPSL to pay the money which it may owe to IPGDL. The FBR was informed that HPSL has no business with IPGDL and consequently no money is owed to IPGDL.



FBR issued another notice for recovery of the amount on the basis that as per IPGDL audited accounts all assets, liabilities and Employees of the IPGDL has been transferred to HPSL. The FBR was informed that no liabilities including tax liabilities of the IPGDL was assumed by HPSL. Nevertheless, the FBR issued notice to the HPSL's banker attaching the bank account. The notices to HPSL and the bank were challenged before the Honorable High Court of Sindh (SHC), which granted a stay against the recovery proceedings.

The management and their lawyer are of the opinion that the position of the HPSL is sound on technical basis and eventual outcome ought to be in favour of the HPSL.

13.4 In connection with the operations of NEL.

Due to continuous payment defaults by NTDC, NEL called on the Sovereign Guarantee for recovery of overdue receivables. Subsequently, in light of the issue of circular debt and sovereign default, NEL filed a constitutional petition in the Honorable Supreme Court of Pakistan ("SCP") for the purposes of resolving inter alia the issue of circular debt. On January 15, 2013, the SCP passed an interim order that there shall be no reduction in capacity payment. On June 28, 2013, NEL and other Independent Power Producers ("IPPs") agreed with GOP that on settlement of all overdue amounts, NEL and other IPPs would withdraw the SCP case and pursue expert adjudication and arbitration in accordance with the Power Purchase Agreement ("PPA"). In January 2018, petitions of the IPPs before the SCP to withdraw petition have been disposed off with the direction to the Lahore High Court ("LHC") to decide IPPs Application 2 (as explained below).

The IPPs and NTDC jointly filed the case with the Expert in Pakistan. The Expert through his determination of August 15, 2015 issued the determination which was generally in favor of IPPs. The Expert determined inter alia that the power purchaser is liable to forthwith make payments for the claimed deemed capacity to NEL. The Expert also determined that IPPs are not entitled to payment of interest on the deemed capacity. IPPs were willing to implement the Expert determination, however, due to NTDC's unwillingness to implement the expert's determination, the IPPs on November 02, 2015 filed amended request for arbitration in the London Court of International Arbitration ("LCIA"). The LCIA has issued following awards:

1. Partial Final Award on Preliminary Issues ["PFA"] dated June 08, 2017 whereby the Arbitrator beside other matters declared that the (a) current Arbitration before the LCIA has been validly commenced in accordance with the PPA, (b) Expert's Determination dated August 15, 2015 is final and binding on both NTDC & IPPs etc. On July 06, 2017, NTDC challenged the PFA before the High Court of Justice, Queen's Bench Division, Commercial Court, London ("HQJ"). NTDC also filed application ("NTDC Application 1") before the Senior Civil Judge ("SCJ") in Lahore seeking an order that the PFA be declared null and void. The SCJ suspended the PFA against which IPPs filed revision petitions in the District Court which has adjourned the hearing indefinitely while suspending the SCJ order.

The IPPs initiated Anti-Suit Injunction ("ASI") application before the HQJ to restrain NTDC from challenging awards outside England. The IPPs also filed application ("IPPs Application 1") with the LHC for the recognition and enforcement of the PFA. Under the ASI Order, the HQJ (a) restrained NTDC from pursuing NTDC Application 1 before the Senior Civil Judge in Lahore, (b) restrained NTDC from taking any steps or proceedings in any court or tribunal outside England which sought to set aside or annul the PFA etc. HQJ also took an undertaking from IPPs (a) to compensate NTDC if the HQJ later finds that due to any misrepresentation etc. by IPPs, ASI Order has caused loss to NTDC, (b) not take any steps in the proceedings in IPPs Application 1 & NTDC Application 1 and (c) not to commence or continue any proceedings or applications in any court or tribunal outside England in relation to the PFA and any other awards that may be rendered by the LCIA.

2. Final Award (FA) dated October 29, 2017 in favor of IPPs by quantifying the LDs amounts along with interest, legal and other related costs (in case of NEL, the amount quantified by LCIA is Rs. 1,067 million up to October 29, 2017) payable by NTDC to the IPPs. On November 24, 2017, NTDC has challenged the FA before the HQJ, London which is pending adjudication. Meanwhile the IPPs have also filed application ("IPPs Application 2") with the LHC for the recognition and enforcement of the FA. On November 29, 2017, NTDC also initiated challenge proceedings against the FA in the Lahore Civil Court, so as to stop the clock of limitation (purported limitation period).

Based on the FA decision, the IPPs including NEL required NTDC to pay the amounts quantified by the LCIA, however, NTDC has denied the same on the ground that the amounts are not payable till finalization of the cases by the courts of England and Pakistan.

NEL has already charged Rs. 567 million pertaining to the period prior to January 2013. Once the amounts are received by NEL from NTDC, the already charged amount of Rs. 567 million will be reversed.



13.5 In connection with the development of the 2 x 660 MW Coal project.

- (i) An irrevocable Standby Letter of Credit (SBLC) was issued in favour of CPHGC on November 24, 2017 amounting to USD 150 million, securing the holding company's obligations to make payment for Funding Shortfall Support and Debt Service Undertakings. The holding company entered into a SBLC facility agreement with various banks on October 23, 2017 to facilitate the issuance of SBLC which is valid till earlier of (i) four years from the facility effective date or (ii) the achievement of the Project Completion Date. The facility is secured against pari passu charge on all assets of the Hub Plant other than current assets

- (ii) CPHGC has provided Letter of Credit to CPPA-G (PPA LC) as required under the PPA amounting to USD 33 385 million. In case PPA LC is encashed and the holding company's share of contribution cannot be encashed from the Completion Guarantee, which results in encashment of CPH's LC security in excess of CPH's share proportion, the holding company is committed to pay its due share to CPH subject to relevant Board and Shareholders' approval, as per the terms of the Amended and Restated Shareholders' Agreement.



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 and Larab plant all these plants are operational and operations and maintenance business which includes Hub plant and Narowal plant.

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 Dec 2017 | | | | | | | |
|-------------------------------------|-------------------------|--------------------------------------|-------------|-----------|--|-------------|--------------|--------------|
| | Hub plant | Power Generation Narowal plant | Larab plant | Hub plant | Operations and Maintenance Narowal plant | Unallocated | Eliminations | Total |
| Turnover | 21,788,465 | 4,063,308 | 1,102,487 | 464,352 | 152,518 | - | (619,967) | 26,951,163 |
| Operating costs | (19,101,511) | (3,031,187) | (473,044) | (310,043) | (56,926) | - | 610,064 | (22,362,647) |
| GROSS PROFIT | 2,686,954 | 1,032,121 | 629,443 | 154,309 | 95,592 | - | (9,903) | 4,588,516 |
| General and administration expenses | (167,877) | (42,127) | (29,711) | (45,843) | (10,928) | (54,411) | - | (350,897) |
| Other income | 16,265 | 545 | 15,119 | 3,695 | 295 | 18,099 | (5,191) | 48,827 |
| Other operating expenses | - | - | - | - | - | (564) | - | (564) |
| PROFIT FROM OPERATIONS | 2,535,342 | 990,539 | 614,851 | 112,161 | 84,959 | (36,876) | (-3,094) | 4,285,882 |
| Finance costs | (322,943) | (335,240) | (215,712) | (37) | (5) | (264,689) | - | (1,138,626) |
| Share of loss from associates | - | - | - | - | - | (62,173) | - | (62,173) |
| PROFIT BEFORE TAXATION | 2,212,399 | 655,299 | 399,139 | 112,124 | 84,954 | (363,738) | (15,094) | 3,085,083 |
| Taxation | - | (164) | (4,743) | (43,772) | (13,617) | (9,826) | - | (72,122) |
| PROFIT FOR THE YEAR | 2,212,399 | 655,135 | 394,396 | 68,352 | 71,337 | (373,564) | (15,094) | 3,012,961 |



| | 3 months ended Dec 2016 | | | | | | | |
|---|-------------------------|---------------|----------------------------|---------------|--------------|----------|-------------|--------------|
| | Power Generation | | Operations and Maintenance | | Eliminations | Total | | |
| Hub plant | Narawal plant | Laraiab plant | Hub plant | Narawal plant | | | Unallocated | |
| Turnover | 19,115,155 | 4,094,961 | 1,105,468 | 416,719 | 89,376 | - | (468,641) | 24,353,038 |
| Operating costs | (16,585,276) | (3,405,230) | (388,663) | (274,829) | (52,028) | - | 458,238 | (20,247,288) |
| GROSS PROFIT | 2,529,879 | 689,731 | 716,805 | 141,890 | 37,348 | - | (9,903) | 4,105,750 |
| General and administration expenses | (98,379) | (31,313) | (33,375) | (90,695) | (19,442) | (16,551) | - | (289,755) |
| Other income | 18,876 | (121) | 25,716 | 2,590 | 871 | 30,347 | - | 78,279 |
| Other operating expenses | - | - | - | - | - | - | - | - |
| PROFIT FROM OPERATIONS | 2,430,376 | 658,297 | 709,146 | 53,785 | 18,777 | 13,796 | (9,903) | 3,894,274 |
| Finance costs | (429,226) | (346,552) | (241,569) | (25) | (13) | (36,984) | - | (1,054,369) |
| Share of loss from associates | - | - | - | - | - | (55,749) | - | (55,749) |
| Gain on dilution of interest in associate | - | - | - | - | - | - | - | - |
| PROFIT BEFORE TAXATION | 2,021,150 | 311,745 | 467,577 | 53,760 | 18,764 | (78,937) | (9,903) | 2,784,156 |
| Taxation | - | (149) | (13,674) | (41,972) | (8,547) | (1,402) | - | (65,744) |
| PROFIT FOR THE YEAR | 2,021,150 | 311,596 | 453,903 | 11,788 | 10,217 | (80,339) | (9,903) | 2,718,412 |

| | 6 months ended Dec 2017 | | | | | | | |
|-------------------------------------|-------------------------|---------------|----------------------------|---------------|--------------|-----------|-------------|--------------|
| | Power Generation | | Operations and Maintenance | | Eliminations | Total | | |
| Hub plant | Narawal plant | Laraiab plant | Hub plant | Narawal plant | | | Unallocated | |
| Turnover | 43,362,135 | 8,560,524 | 2,377,718 | 918,965 | 258,764 | - | (1,187,010) | 54,291,096 |
| Operating costs | (38,428,186) | (6,686,210) | (855,802) | (609,492) | (112,296) | - | 1,167,204 | (45,524,782) |
| GROSS PROFIT | 4,933,949 | 1,874,314 | 1,521,916 | 309,473 | 146,468 | - | (19,806) | 8,766,314 |
| General and administration expenses | (458,737) | (82,961) | (61,094) | (82,385) | (16,823) | (86,431) | - | (788,431) |
| Other income | 21,204 | 1,259 | 26,401 | 6,968 | 562 | 819,334 | (795,592) | 80,136 |
| Other operating expenses | - | - | - | - | - | (39,780) | - | (39,780) |
| PROFIT FROM OPERATIONS | 4,496,416 | 1,792,612 | 1,487,223 | 234,056 | 130,207 | 693,123 | (815,398) | 8,018,239 |
| Finance costs | (675,100) | (675,113) | (426,447) | (49) | (11) | (378,924) | - | (2,155,644) |
| Share of loss from associates | - | - | - | - | - | (106,799) | - | (106,799) |
| PROFIT BEFORE TAXATION | 3,821,316 | 1,117,499 | 1,060,776 | 234,007 | 130,196 | 207,400 | (815,398) | 5,755,796 |
| Taxation | - | (378) | (7,367) | (86,315) | (23,522) | (76,660) | - | (194,242) |
| PROFIT FOR THE YEAR | 3,821,316 | 1,117,121 | 1,053,409 | 147,692 | 106,674 | 130,740 | (815,398) | 5,561,554 |



| | 6 months ended Dec 2016 | | | | | |
|---|-------------------------|---------------|----------------------------|-----------|---------------|--------------|
| | Power Generation | | Operations and Maintenance | | | |
| | Hub plant | Narawal plant | Larab plant | Hub plant | Narawal plant | Total |
| Turnover | 37,851,884 | 7,800,339 | 2,537,721 | 774,982 | 176,031 | 48,227,128 |
| Operating costs | (43,094,573) | (6,421,225) | (821,440) | (524,446) | (92,863) | (40,060,524) |
| GROSS PROFIT | 4,757,311 | 1,379,114 | 1,716,281 | 250,536 | 83,168 | 8,166,604 |
| General and administration expenses | (320,473) | (61,756) | (64,369) | (137,740) | (27,898) | (600,310) |
| Other income | 25,487 | 402 | 44,831 | 6,648 | 1,280 | 113,456 |
| Other operating expenses | - | - | - | - | - | - |
| PROFIT FROM OPERATIONS | 4,462,325 | 1,317,765 | 1,656,543 | 119,444 | 56,550 | 7,639,750 |
| Finance costs | (801,805) | (686,090) | (481,482) | (28) | (115) | (2,061,709) |
| Share of loss from associates | - | - | - | - | - | (99,032) |
| Gain on dilution of interest in associate | - | - | - | - | 1,191 | 1,191 |
| PROFIT BEFORE TAXATION | 3,660,520 | 631,675 | 1,215,061 | 119,416 | 56,535 | 5,480,260 |
| Taxation | - | (299) | (13,674) | (76,320) | (16,732) | (109,807) |
| PROFIT FOR THE YEAR | 3,660,520 | 631,376 | 1,201,387 | 43,096 | 39,803 | 5,370,393 |

14.2 SEGMENT ASSETS & LIABILITIES

| | As at Dec 31, 2017 | | | | | |
|-------------|--------------------|---------------|----------------------------|-----------|---------------|-------------|
| | Power Generation | | Operations and Maintenance | | | |
| | Hub plant | Narawal plant | Larab plant | Hub plant | Narawal plant | Total |
| Assets | 123,280,350 | 30,595,216 | 21,304,346 | 282,204 | 136,787 | 181,286,615 |
| Liabilities | 110,383,622 | 16,860,673 | 11,497,684 | 165,395 | 11,384 | 145,558,808 |

| | As at Jun 30, 2017 | | | | | |
|-------------|--------------------|---------------|----------------------------|-----------|---------------|-------------|
| | Power Generation | | Operations and Maintenance | | | |
| | Hub plant | Narawal plant | Larab plant | Hub plant | Narawal plant | Total |
| Assets | 110,199,066 | 29,933,883 | 21,185,000 | 237,189 | 44,136 | 159,619,800 |
| Liabilities | 92,435,467 | 17,053,695 | 11,735,894 | 222,345 | 38,424 | 124,621,299 |

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 party comprise associated companies, companies where directors also hold directorship, retirement benefit funds and key management personnel. Significant transactions and balances with related parties, other than those which have been disclosed elsewhere in these condensed interim consolidated financial statements are as follows

| | Note | 6 months ended Dec 2017 (Rs. '000s) | 6 months ended Dec 2016 (Rs. '000s) |
|---|--------|---|---|
| 15.1 Details of Transactions | | | |
| Associate | | | |
| Proceeds against disposal of land to CPHGC | | 189,341 | - |
| Loss on disposal of land to CPHGC | | 3,842 | - |
| Reimbursable expenses incurred on behalf of CPHGC by HPHL | | 2,519 | 90,890 |
| Income under shared facilities agreement from CPHGC | | 4,426 | 42,576 |
| Associated Undertakings due to common directorship | | | |
| Amounts paid for services rendered | | 1,063 | 573 |
| Donation | | 1,000 | 500 |
| Procurement of stores, spares and consumables | | - | 2,394 |
| Proceeds from long term loan | | 161,203 | - |
| Repayment of long term loans | | 60,994 | 305,888 |
| Interest / mark-up on long term loans | | 34,271 | 204,622 |
| Mark-up on short term borrowings | | 23,432 | 72,678 |
| Other finance costs | | 283 | 2,115 |
| Dividend paid to NCI | | 165,646 | 159,020 |
| Other related parties | | | |
| Proceeds from disposal of assets | | - | 139 |
| Remuneration to key management personnel | | | |
| Salaries, benefits and other allowances | | 267,327 | 226,159 |
| Retirement benefits | | 8,236 | 11,170 |
| | 15.1.1 | 275,563 | 237,329 |
| Directors' fee | 15.1.2 | 7,250 | 12,350 |
| Contribution to staff retirement benefit plans | | 80,801 | 85,548 |

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.



| | |
|--|--------------------------------------|
| Dec 2017 (Rs. '000s) (Unaudited) | Jun 2017 (Rs. '000s) (Audited) |
|--|--------------------------------------|

15.2 Details of Balances

Associate

Receivable from CPHGC

| | |
|--------|--------|
| 46,156 | 41,826 |
|--------|--------|

Directors' fee

| | |
|-----|---|
| 400 | - |
|-----|---|

Associated Undertakings due to common directorship

Outstanding balance of long term loans

| | |
|---------|-----------|
| 760,951 | 1,279,825 |
|---------|-----------|

Accrued markup on long term loans

| | |
|--------|--------|
| 12,611 | 17,346 |
|--------|--------|

Accrued markup on short term borrowings

| | |
|-------|--------|
| 1,572 | 24,221 |
|-------|--------|

Other related parties

Payable to staff retirement benefit plans

| | |
|--------|--------|
| 26,827 | 35,164 |
|--------|--------|

Loan to key management personnel

| | |
|-----|-------|
| 840 | 2,191 |
|-----|-------|

| | |
|-------------------------|-------------------------|
| Dec 2017 (Rs. '000s) | Dec 2016 (Rs. '000s) |
|-------------------------|-------------------------|

16. CASH AND CASH EQUIVALENTS

Cash and bank balances

| | |
|-----------|-----------|
| 4,297,245 | 5,921,265 |
|-----------|-----------|

Finances under mark-up arrangements

| | |
|--------------|--------------|
| (28,248,862) | (23,637,031) |
|--------------|--------------|

| | |
|--------------|--------------|
| (23,951,617) | (17,715,766) |
|--------------|--------------|

17. SUBSEQUENT EVENT

The Board of Directors of the holding company declared an interim dividend for the half year ended December 31, 2017 of Rs. 1.50 per share, amounting to Rs. 1,735.732 million, at their meeting held on February 19, 2018. These condensed interim consolidated financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

18. NON-CASH TRANSACTIONS

During the period, the Group recorded additions to property, plant and equipment amounting to Rs. 58.56 million (2016: Nil) in respect of costs directly attributable to the construction, installation and commissioning of the TEL power plant. These costs have not been paid in cash as at the end of the reporting period and are accordingly not reflected in the Cash Flow Statement.

19. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on February 19, 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.

Khalid Mansoor
Chief Executive

Abdul Nasir
Chief Financial Officer

Javed Akbar
Director

سی ای او کی رپورٹ برائے دوسری سہ ماہی مختتمہ 31 دسمبر، 2017ء

کمپنی نہایت مسرت کے ساتھ دوسری سہ ماہی مختتمہ 31 دسمبر، 2017ء کے لیے غیر آڈٹ شدہ اور مجموعی/غیر مجموعی مالی گوشوارے پیش کرتی ہے۔

زیر جائزہ عرصہ کے لیے گروپ کی مجموعی/غیر مجموعی مالی چھلکیاں درج ذیل ہیں:

| ششماہی/سہ ماہی مختتمہ 31 دسمبر، 2016 | ششماہی/سہ ماہی مختتمہ 31 دسمبر، 2017 | ملین روپوں میں |
|--------------------------------------|--------------------------------------|----------------------|
| 48,227 | 54,291 | ٹرن اوور |
| 40,061 | 45,525 | آپریٹنگ لاگت |
| 5,069 | 5,298 | خالص منافع* |
| 4.38 | 4.58 | فی حصص آمدنی (روپے)* |

* ہولڈنگ کمپنی کے مالکان سے منسوب

زیر جائزہ عرصہ کے دوران مجموعی خالص منافع 5,298 ملین روپے تھا جس کے نتیجے میں فی حصص آمدنی 4.58 روپے رہی جب کہ گزشتہ برس اسی عرصہ کے دوران مجموعی خالص منافع 5,069 روپے تھا اور فی حصص آمدنی 4.38 روپے تھی۔ منافع میں اضافہ کی بنیادی وجہ جب اور نارووال پلانٹس کی مرمت اور دیکھ بھال (repair & maintenance) کے اخراجات میں کمی تھی جنہیں جزوی طور پر لاریب کے کم منافع اور بلند انتظامی اخراجات کی صورت میں پورا کیا گیا۔

زیر جائزہ عرصہ کے لیے کمپنی کی غیر مجموعی مالی چھلکیاں درج ذیل ہیں:

| ششماہی/سہ ماہی مختتمہ 31 دسمبر، 2016 | ششماہی/سہ ماہی مختتمہ 31 دسمبر، 2017 | ملین روپوں میں |
|--------------------------------------|--------------------------------------|---------------------|
| 37,852 | 43,362 | ٹرن اوور |
| 33,095 | 38,428 | آپریٹنگ لاگت |
| 4,200 | 4,129 | خالص منافع |
| 3.63 | 3.57 | فی حصص آمدنی (روپے) |

زیر جائزہ عرصہ کے دوران کمپنی کا حاصل کردہ غیر مجموعی خالص منافع 4,129 ملین روپے رہا جس کے نتیجے میں فی حصص آمدنی 3.57 روپے رہی جو گزشتہ برس اسی عرصہ کے دوران خالص منافع 4,200 ملین روپے اور فی حصص آمدنی 3.63 روپے تھی۔ منافع میں کمی کی بنیادی وجہ نارووال کے عدم انضمام (demerger) کے اثرات، بونس کی کمی اور بلند انتظامی اخراجات تھے جنہیں جزوی طور پر لاریب کی مرمت اور دیکھ بھال (repair & maintenance) کے اخراجات میں ہونے والی بچت سے پورا کیا گیا۔

زیر جائزہ سے ماہی کے دوران حب پلانٹ کے آپریشن کا اوسط لوڈ فیکٹر 63 فی صدر ہا جب کہ 68 فیصد کی منصوبہ بندی کی گئی تھی۔ پلانٹ کی دستیاب گنجائش 99 فیصد تھی جبکہ 97 فیصد کی منصوبہ بندی کی گئی تھی۔ سینٹرل پاور پراجیکٹ ایجنسی گارنٹی لمیٹڈ (Central Power Purchasing Agency; CCPA-G) کو GWH1,675 اور بجلی فروخت کی گئی جب کہ GWH1,798 کے ڈسپینچ کی منصوبہ بندی کی گئی تھی۔ اس سے ماہی کے دوران جنریشن قدرے کم رہی جس کی وجہ نیشنل ٹرانسمیشن اینڈ ڈسپینچ کمپنی لمیٹڈ (NTDC) کو منصوبہ کے مطابق ڈسپینچ میں کمی تھی۔ سالانہ قابل بھروسہ گنجائش (Annual Dependable Capacity; ADC) کو کامیابی سے 26 دسمبر، 2017 کو ٹیسٹ کیا گیا جس کے دوران 1,207.67 میگا واٹ بجلی پیدا کی گئی۔ اس ٹیسٹ کا مشاہدہ CPPA-G کے اہلکاروں نے بھی کیا۔

سہ ماہی کے دوران، ناروال پلانٹ کینیڈا الیکٹریکل آؤٹ پٹ (NEO) 269 گیگا واٹ اور تھا (2016-17) کی دوسری سہ ماہی کے دوران 330 گیگا واٹ اور تھا۔ دوسری سہ ماہی کے لیے لوڈ فیکٹر 57 فیصد تھا (2016-17) کی دوسری سہ ماہی کے دوران لوڈ فیکٹر 70 فیصد تھا جبکہ 74 فیصد کی منصوبہ بندی کی گئی تھی۔

زیر جائزہ سے ماہی کے دوران، لاریب پلانٹ نے 65.49 فیصد لوڈ فیکٹر کے ساتھ 121.459 گیگا واٹ اور بجلی پیدا کی جب کی پاور پراجیکٹ ایجنسی (PPA) کا تخمینہ 56 فیصد لوڈ فیکٹر کے ساتھ 103.110 گیگا واٹ اور تھا۔ مجموعی طور پر اس سہ ماہی کے لیے PPA کے ہدف سے 18 فیصد زیادہ بجلی پیدا کی گئی جس کی وجہ بہتر مینٹیننس اور لو جی تھی۔ معاہدے کے پانچویں سال کیلئے عملی مظاہرہ کے ساتھ کمپلیکس انرجی ٹیسٹ (Demonstrated Complex Energy Test) کامیابی سے مکمل کیا گیا جس کے دوران کل 2,106 میگا واٹ اور بجلی پیدا کی گئی جبکہ PPA کے تحت 2,016 میگا واٹ اور درکار تھی۔ سہ ماہی کے دوران کو جبری بندش نہیں ہوئی اور فیکٹر 99.01 فی صد دستیاب رہا۔

ترقی کے اقدامات

حب میں 1,320 میگا واٹ کول پروجیکٹ - چائنا پاور حب جنریشن لمیٹڈ (CPHGC) پروجیکٹ نے 26 جنوری، 2018 کو فنانشل کلوز حاصل کیا اور اگست 2019 میں COD کے حصول کی غرض سے منصوبہ کے مطابق پیشرفت کر رہا ہے۔ کمپنی نے شینز ہولڈرز ایگریمنٹ کے مطابق اپنا کال آپشن (Call Option) استعمال کرنے کے بعد پروجیکٹ میں اپنی شراکت (shareholding) بڑھا کر 47.5 فیصد تک کرنے کیلئے پروسیس کا آغاز کر دیا ہے۔

تھریں 330 میگا واٹ کول پروجیکٹ - تھرانز جی لمیٹڈ (TEL)

تھرانز جی لمیٹڈ (TEL) تھربلاک II میں کان کے دہانے (mine mouth) پر قائم کونٹے سے چلنے والا پاور پلانٹ ہے۔ اس پروجیکٹ کے لیے چائنا مشینری اینڈ انجینئرنگ کارپوریشن (CMEC) کے ساتھ EPC کنٹریکٹ پر دستخط کیے جا چکے ہیں جو COD کو تیز کرنے کے لیے سائٹ پر ابتدائی سرگرمیاں انجام دے گی۔ اس پروجیکٹ کے لیے تھرانز جی لمیٹڈ نیپا اور پراجیکٹ ایگریمنٹ (PPA)، واٹر یوٹیج ایگریمنٹ (WUA)، ایپلی مینٹیننس ایگریمنٹ (IA) اور کول سپلائی ایگریمنٹ (CSA) پر بھی دستخط کیے ہیں۔

چین سے مالی وسائل کی دستیابی (financing) کے لیے کمپنی نے چائنا ڈیولپمنٹ بینک (CBD) کو اور مقامی ذرائع سے مالی وسائل کی دستیابی (financing) کے لیے حبیب بینک کو سربراہ (lead arranger) مقرر کیا ہے۔ اس کے علاوہ TEL نے ملکی اور غیر ملکی مالی انتظامات

کے لیے ٹرم شیٹس (term sheets) پر بھی دستخط کر دیے ہیں۔

سندھ اینگرجول مائننگ کمپنی (SECMC) میں سرمایہ کاری

بلاک II میں کان کوترقی دینے کا عمل زور و شور سے جاری ہے۔ تقریباً 70M BCM جو چٹان کے کل حجم (total overbuden volume) کا 62 فیصد ہے، ہٹا دیا گیا ہے۔ توقع ہے کہ یہ پروجیکٹ جون، سنہ 2019ء میں پیداوار شروع کر دے گا۔ کمپنی کے اس پروجیکٹ میں 8 فیصد حصص ہیں۔

کمپنی اپنے حصص یافتگان، آپریٹرز، ملازمین اور کنٹریبلٹرز کی شکر گزار ہے کہ انہوں نے کمپنی پر اعتماد کیا اور کمپنی کوترقی اور خوشحالی کے سفر پر ڈالنے کے لیے اپنی انتھک کوششوں سے کام لیا۔

خالد منصور

چیف ایگزیکٹو آفیسر

کراچی، 19 فروری، 2018