



The Hub Power Company Limited

Unaudited Financial Statements
for the 1st Quarter Ended
September 30, 2022

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Company Information

Board of Directors

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

Audit Committee

Manzoor Ahmed	Chairman
Aly khan	
Saad Iqbal	
Nadeem Inayat	
Muhammad Irfan Iqbal	

Company Secretary

Faiza Kapadia Raffay

Leadership Team

Muhammad Kamran Kamal	Chairman
Saleemullah Memon	
Abdul Nasir	
Amjad Ali Raja	
Fayyaz Ahmed Bhatti	
Faiza Kapadia Raffay	
Muhammad Talha	

Registered & Head Office

9th Floor, Ocean Tower
Block-9, Main Clifton Road,
P.O. Box No. 13841, Karachi-75600.
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.
United Bank Limited
Pak Kuwait Investment Company (Pvt.) Ltd.

Inter-Creditor Agents

Habib Bank Limited
Allied Bank Limited

Legal Advisors

Syed Jamil Shah

Auditors	A.F.F Ferguson & Co.
Registrar	FAMCO Associates (Pvt) Limited
Hub Plant	Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan
Narowal Plant	Mouza Poong, 5 KM from Luban Pulli Point on Mureedkay-Narowal Road, District Narowal, Punjab
CPHGC Plant	Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan
Laraib Energy Limited	Head Office: Office # 12, Second Floor, Executive Complex, G-8, Markaz, Islamabad
Laraib Plant	New Bong Escape Hydro-Electric Power Complex, Village Lehri, Tehsil & District Mirpur, Azad Jammu & Kashmir.

DIRECTORS' REVIEW

REPORT OF DIRECTORS ON THE CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30th, 2022

The Board of Directors is pleased to present a concise overview of the financial and operational performance of the Company for the quarter ended on September 30th, 2022.

Key Financial Highlights:

- Consolidated net profit during the period under review was Rs. 9,099 million, resulting in Earnings Per Share of Rs. 7.01 compared to net profit of Rs. 7,417 million and EPS of Rs. 5.72 during the same period last year. The increase in profit is mainly due to depreciation of PKR against USD and higher share of profit from associates.
- Unconsolidated net profit during the period under review was Rs. 4,452 million, resulting in EPS of Rs. 3.43 compared to net profit of Rs. 4,427 million and EPS of Rs. 3.41 during the same period last year. The increase in unconsolidated profit is mainly due to depreciation of PKR against USD, partly offset by impact of higher finance costs due to higher interest rate.
- The Board of Directors declared an interim dividend for the first quarter ended September 30th, 2022 of Rs. 15.50 per share, at their meeting held on October 3rd, 2022.

Key Operational Highlights:

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

Technical Parameters	Hub	Narowal	Laraib	CPHGC
Net Electrical Output (GWh)	203	208	47	901
Load Factor (%)	7.68%	44%	25%	33%

Growth Projects:

The lignite-based 330MW Thar Energy Limited (TEL) Project in Thar Block II has successfully achieved Commercial Operations on October 1, 2022 with 22 million safe manhours.

The lignite-based 330MW ThalNova Power Thar (Private) Limited (TNPTL) Project in Thar Block II has completed 90.01% of Project Construction and targets to achieve Commercial Operations Date (COD) by 4th quarter of CY 2022. Financial close of TN was achieved on September 30, 2020. Subsequently, USD and PKR loans are being utilized for the Project.

HUBCO is in the process of acquiring the business of ENI in Pakistan, through a 50:50 joint venture company, Prime International Oil & Gas Co. As part of the E&P sector strategy, the JV will pursue organic growth opportunities in owned assets as well as potential growth opportunities in new fields based on government auctions.


Sindh Engro Coal Mining Company (SECMC) has successfully achieved the Commercial Operations Date (COD) of phase II of the Project on October 10, 2022 resulting in expansion of the production capacity from 3.8 million tons per annum (MTPA) to 7.6 million tons per annum (MTPA).

In line with the vision to resolve the water scarcity issue of Karachi, HUBCO developed a concept for first of its kind Wastewater Recycling project and submitted an Unsolicited Proposal (USP) to the Government of Sindh (GoS). The project aims to recycle untreated municipal water being discharged into the sea from the SITE industrial area and provide it back for industrial consumption thereby creating a sustainable, consistent and environmentally friendly solution for domestic industries. The USP was accepted by the KW&SB and the Right of First Refusal has been awarded. HUBCO continues to actively pursue the project as GoS moves forward towards a competitive bidding phase and we hope to further expand our business and diversification interests while creating positive externalities.

In addition to this we continue to review opportunities in renewable energy as market reforms are implemented and new areas of interest materialize.

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

By Order of the Board



Kamran Kamal
Chief Executive Officer



M. Habibullah Khan
Chairman



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

		3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Turnover	5	17,416,700	18,055,089
Operating costs	6	(11,033,309)	(12,508,169)
GROSS PROFIT		6,383,391	5,546,920
General and administration expenses		(164,624)	(138,663)
Other income	7	616,723	461,938
Workers' profit participation fund	8	(30,836)	(23,090)
PROFIT FROM OPERATIONS		6,804,654	5,847,105
Finance costs	9	(2,159,476)	(1,306,434)
PROFIT BEFORE TAXATION		4,645,178	4,540,671
Taxation		(193,343)	(114,025)
PROFIT FOR THE PERIOD		4,451,835	4,426,646
Basic and diluted earnings per share (Rupees)		<u>3.43</u>	<u>3.41</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Profit for the period	4,451,835	4,426,646
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 revaluation of equity investment at fair value through other comprehensive income	(325,836)	134,629
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>4,125,999</u>	<u>4,561,275</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive


Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	7,849,067	8,313,972
Intangibles		1,895	2,335
Long term investments	11	61,856,703	60,320,004
Long term loan to subsidiary		1,488,819	1,488,819
Long term deposits		11,509	8,509
		71,207,993	70,133,639
CURRENT ASSETS			
Stores, spares and consumables		927,001	1,015,606
Stock-in-trade		1,839,801	1,831,392
Trade debts	12	56,341,718	62,919,266
Loans and advances		87,255	47,151
Prepayments and other receivables	13	16,634,443	17,672,969
Cash and bank balances		5,595,332	388,464
		81,425,550	83,874,848
TOTAL ASSETS		152,633,543	154,008,487
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Unappropriated profit		47,042,579	42,916,580
		65,614,123	61,488,124
NON-CURRENT LIABILITIES			
Long term loans		17,763,529	21,785,632
Long term lease liabilities		185,230	188,691
		17,948,759	21,974,323
CURRENT LIABILITIES			
Trade and other payables	14	36,142,138	33,123,182
Unclaimed dividend		215,995	223,090
Unpaid dividend		112,248	114,837
Interest / mark-up accrued		883,360	850,810
Short term borrowings		21,652,391	26,169,940
Current maturity of long term loans		10,051,141	10,051,655
Current maturity of long term lease liabilities		13,388	12,526
		69,070,661	70,546,040
TOTAL EQUITY AND LIABILITIES		152,633,543	154,008,487
COMMITMENTS AND CONTINGENCIES			
	15		

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


M. Habibullah Khan
Chairman


Kamran Kamal
Chief Executive


Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,645,178	4,540,671
Adjustments for:			
Depreciation		466,592	478,727
Amortisation		442	2,757
Dividend income from subsidiary		-	(50,000)
Loss on disposal of fixed assets		-	176
Provision against slow moving stores, spares and consumables		71,959	82,147
Staff gratuity		7,364	6,575
Interest income		(2)	(8)
Interest / mark-up expense		2,020,734	1,182,241
Mark-up on lease liabilities		6,332	9,251
Amortisation of transaction costs		19,284	21,098
Operating profit before working capital changes		7,237,883	6,273,635
Working capital changes		9,627,510	(571,109)
Cash generated from operations		16,865,393	5,702,526
Interest income received		1	15
Interest / mark-up paid		(1,988,184)	(1,371,099)
Staff gratuity paid		-	(2,000)
Taxes paid		(93,853)	(52,391)
Net cash generated from operating activities		14,783,357	4,277,051
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries		869,246	463,761
Fixed capital expenditure		(1,689)	(3,281)
Proceeds from disposal of fixed assets		-	92
Long term investments made		(1,862,535)	(197,019)
Long term deposits		(3,000)	(122)
Net cash (used in) / generated from investing activities		(997,978)	263,431
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(9,684)	(3,144)
Repayment of long term loans		(4,041,901)	(79,000)
Repayment of long term lease liabilities		(9,377)	(15,689)
Net cash used in financing activities		(4,060,962)	(97,833)
Net increase in cash and cash equivalents		9,724,417	4,442,649
Cash and cash equivalents at the beginning of the period		(25,781,476)	(26,768,577)
Cash and cash equivalents at the end of the period	17	(16,057,059)	(22,325,928)

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
ISSUED CAPITAL		
Balance at the beginning of the period	12,971,544	12,971,544
Balance at the end of the period	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM		
Balance at the beginning of the period	5,600,000	5,600,000
Balance at the end of the period	<u>5,600,000</u>	<u>5,600,000</u>
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	42,916,580	36,352,890
Profit for the period	4,451,835	4,426,646
Other comprehensive (loss) / income for the period	(325,836)	134,629
Total comprehensive income for the period	4,125,999	4,561,275
Balance at the end of the period	<u>47,042,579</u>	<u>40,914,165</u>
TOTAL EQUITY	<u>65,614,123</u>	<u>59,485,709</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

1. THE COMPANY AND ITS OPERATIONS

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

The Company has the following subsidiaries and associates:

Subsidiaries

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

Associates

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

Joint Venture

- Prime International Oil & Gas Company Limited - Holding of 50% via HPHL; and
- China Power Hub Operating Company (Private) Limited (CPHO) - Holding of 49% via HPHL.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited condensed interim unconsolidated financial statements of the Company for the first quarter ended September 30, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2022.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim unconsolidated financial statements are same as those applied in preparing the unconsolidated financial statements for the year ended June 30, 2022.

On September 15, 2022, SECP further extended the exemption of application of Expected Credit Loss model under IFRS – 9 in respect of financial assets due from Government of Pakistan up to June 30, 2023. Accordingly, the Company has applied the requirements of IAS – 39 in these condensed interim unconsolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2022. The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited unconsolidated financial statements for the year ended June 30, 2022.

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
5. TURNOVER			
Capacity Purchase Price (CPP)		6,852,929	6,008,826
Energy Purchase Price (EPP)		9,683,818	11,676,266
Late Payment Interest (LPI)		1,669,109	1,192,762
Startup Charges (SC)		138,835	198,067
Part Load Adjustment Charges (PLAC)		454,481	667,935
		<u>18,799,172</u>	<u>19,743,856</u>
Less: Sales tax on EPP		(1,382,472)	(1,688,767)
		<u>17,416,700</u>	<u>18,055,089</u>

6. OPERATING COSTS

Fuel cost		8,914,490	10,811,203
Late payment interest to fuel supplier		636,222	441,195
Stores and spares		131,730	138,339
Operations and maintenance	6.1	27,373	32,000
Salaries, benefits and other allowances	6.2	140,845	154,957
Insurance		318,080	230,462
Depreciation		458,134	463,915
Amortisation		161	2,428
Repairs, maintenance and other costs		406,274	233,670
		<u>11,033,309</u>	<u>12,508,169</u>

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

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

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
7. OTHER INCOME			
Financial assets			
Interest income		2	8
Non-financial assets			
Loss on disposal of fixed assets-net		-	(176)
Dividend income from HPSL		-	50,000
Income from management services	7.1	616,721	411,801
Exchange gain		-	305
		<u>616,721</u>	<u>461,930</u>
		<u>616,723</u>	<u>461,938</u>

		3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
7.1 Income from management services			
Services income		773,948	686,816
Cost of services		(157,227)	(275,015)
		<u>616,721</u>	<u>411,801</u>
<p>The Company has entered into services agreements with TEL (a subsidiary company) and TNPTL (an associate company). In accordance with the terms of the agreements, the Company provides assistance to TEL and TNPTL in performance of their obligations under relevant project agreements including Power Purchase Agreements, Coal Supply Agreements, Water Use Agreements, Implementation Agreements, EPC Contracts and O&M Agreements.</p>			
	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
8. WORKERS' PROFIT PARTICIPATION FUND	8.1	<u>30,836</u>	<u>23,090</u>
8.1 Workers' profit participation fund			
Provision for Workers' profit participation fund		233,804	176,201
Workers' profit participation fund recoverable from CPPA(G)		(202,968)	(153,111)
		<u>30,836</u>	<u>23,090</u>
9. FINANCE COSTS			
Interest / mark-up on long term loans		1,216,001	740,164
Mark-up on long term lease liabilities		6,332	9,251
Mark-up on short term borrowings		804,733	442,077
Amortisation of transaction costs		19,284	21,098
Other finance costs		113,126	93,844
		<u>2,159,476</u>	<u>1,306,434</u>
10. PROPERTY, PLANT AND EQUIPMENT		Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
Operating fixed assets		<u>7,849,067</u>	<u>8,313,972</u>

10.1 Additions to property, plant and equipment during the period were Rs. 1.6 million (Sep 2021: Rs. 5 million) and disposals therefrom at net book value were Rs. Nil (Sep 2021: Rs. 0.3 million).

11. LONG TERM INVESTMENTS	Note	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
Investment in subsidiaries - unquoted			
Laraib Energy Limited (LEL)		4,674,189	4,674,189
Hub Power Services Limited (HPSL)		100	100
Hub Power Holdings Limited (HPHL)		38,995,534	38,995,534
Narowal Energy Limited (NEL)		3,921,883	3,921,883
Thar Energy Limited (TEL)	11.1	11,520,000	9,657,465
		<u>59,111,706</u>	<u>57,249,171</u>
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,744,997	3,070,833
		<u>61,856,703</u>	<u>60,320,004</u>

11.1 Thar Energy Limited (TEL)

Subsequent to the period end, on 01 October 2022, TEL achieved Commercial Operations Date (COD).

12. TRADE DEBTS	Note	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
Considered good - Secured			
Capacity Purchase Price (CPP)		14,206,617	19,954,040
Energy Purchase Price (EPP)		24,276,367	20,245,797
Late Payment Interest (LPI)	12.1	16,753,763	21,679,494
Startup Charges (SC)		219,851	294,168
Part Load Adjustment Charges (PLAC)		885,120	745,767
	12.2	<u>56,341,718</u>	<u>62,919,266</u>

12.1 This includes Rs. 2,496 million (June 2022: Rs. 3,558 million) related to LPI which is not yet billed by the Company.

12.2 This includes an amount of Rs. 48,045 million (June 2022: Rs. 55,405 million) receivable from CPPA(G) which is overdue but not impaired because the trade debts are secured by a guarantee from the GOP under the Implementation Agreement (IA). The delay in payments from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	100,256	65,563
Other receivables		
Interest accrued	1	-
Income tax - (Contractor tax refundable)	372,469	372,469
Sales tax	7,897,305	7,744,056
Staff gratuity	2,508	9,872
Receivable from LEL	29,420	876,687
Receivable from HPHL	62,217	30,472
Receivable from TEL	25,424	36,946
Receivable from TNPTL	15,280	8,679
Receivable from TEL against services agreement	2,451,230	1,676,460
Receivable from TNPTL against services agreement	2,179,796	3,553,948
Workers' profit participation fund recoverable from CPPA(G)	3,481,224	3,278,255
Hub Power Services Limited - Pension Fund	-	512
Miscellaneous	17,313	19,050
	<u>16,534,187</u>	<u>17,607,406</u>
	<u>16,634,443</u>	<u>17,672,969</u>

14. TRADE AND OTHER PAYABLES

This includes Rs. 24,554 million (June 2022: Rs. 22,742 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 21,416 million (June 2022: Rs. 19,419 million).

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

15. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of commitments and contingencies as disclosed in the annual unconsolidated financial statements of the Company for the year ended June 30, 2022.

16. RELATED PARTY TRANSACTIONS AND BALANCES

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

16.1 Details of transactions	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Subsidiaries			
Laraib Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		<u>21,979</u>	<u>37,258</u>
Receipts against reimbursement of expenses from subsidiary		<u>-</u>	<u>51,298</u>
Dividend received		<u>869,246</u>	<u>678,012</u>
Hub Power Holdings Limited			
Reimbursable expenses incurred on behalf of subsidiary		<u>2,307</u>	<u>125,859</u>
Receipts against reimbursement of expenses from subsidiary		<u>-</u>	<u>3,994</u>
Interest income on loan to subsidiary	16.1.1	<u>58,243</u>	<u>-</u>
Receipts against interest on loan to subsidiary		<u>28,805</u>	<u>-</u>

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Hub Power Services Limited			
Reimbursable expenses incurred on behalf of subsidiary		7,753	3,108
Receipts against reimbursement of expenses from subsidiary		-	5,374
Reimbursable expenses incurred by subsidiary		1,908	18,273
Payments against reimbursement of expenses to subsidiary		-	6,044
Amount paid for O&M services rendered		42,090	38,429
Dividend received		-	50,000
Interest expense on loan from subsidiary	16.1.2	9,920	6,009
Payments against interest on loan from subsidiary		7,720	-
Narowal Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		17,721	4,228
Interest income on loan to subsidiary	16.1.3	-	1,703
Interest expense on loan from subsidiary	16.1.4	237,687	-
Payment against interest on loan from subsidiary		141,459	-
Thar Energy Limited			
Investment in subsidiary		1,862,536	-
Reimbursable expenses incurred on behalf of subsidiary		22,741	6,450
Receipts against reimbursement of expenses from subsidiary		34,263	34,453
Services rendered to subsidiary		329,614	589,759
Receipts against services rendered to subsidiary		-	3,746,069
Other related parties			
Investment in SECMC		-	197,021
Services rendered to TNPTL		444,334	257,257
Reimbursable expenses incurred on behalf of TNPTL		6,601	104,560
Receipts against reimbursement of expenses from TNPTL		-	22,232
Receipts against services rendered to TNPTL		1,986,012	262,732
Remuneration to key management personnel			
Salaries, benefits and other allowances		23,887	30,021
Retirement benefits		4,262	996
	16.1.5 & 16.1.6	28,149	31,017
Directors' fee		1,650	1,300
Contribution to staff retirement benefit plans of the Company		2,326	4,409
Contribution to staff retirement benefit plans of HPSL		7,767	52,584
Contribution to staff retirement benefit plan of TEL		414	179
Contribution to staff retirement benefit plan of LEL		239	103

- 16.1.1 During the year, the Company has provided HPHL an unsecured loan facility for an amount of up to Rs. 3,000 million, to meet its cash flow requirements, which carries markup at the rate of 0.7% per annum above one month KIBOR. Payable at demand after 12 months at the Company's discretion. The maximum aggregate amount outstanding at any time during the year was Rs. 1,501 million (Sep 2021:Rs. Nil).
- 16.1.2 The Company has obtained an unsecured short term loan facility for an amount of up to Rs. 500 million from HPSL, to meet its working capital requirements. This facility carries markup at the rate of 0.75% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the period was Rs. 252 million (2021: 207 million)
- 16.1.3 The Company has provided NEL an unsecured short term loan facility for an amount of up to Rs. 3,000 million, to meet its working capital requirements, which carries markup at the rate of 0.4% per annum above one month KIBOR. Any late payment is subject to an additional payment of 1.00% per annum above the normal mark-up rate. The maximum aggregate amount outstanding at any time during the period was Rs. Nil (2021: Rs. 2,488
- 16.1.4 The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 20,000 million from NEL, to meet its working capital requirements. This facility carries mark-up at the rate of 0.40% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the year was Rs. 9,110 million (2021:Rs. Nil).
- 16.1.5 Transactions with key management personnel are carried out under the terms of their employment. They are also provided with the use of Company maintained automobiles and certain other benefits.
- 16.1.6 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 7 million (Sep 2021: Rs. 6 million).
- 16.1.7 The transactions with related parties are made under mutually agreed terms and conditions.

16.2 Details of outstanding balances Subsidiaries		Note	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
Hub Power Services Limited				
Payable to subsidiary			20,463	19,138
Loan from subsidiary			218,772	374,705
Narowal Energy Limited				
Loan to subsidiary		16.1.3	-	2,488,170
Loan from subsidiary		16.1.4	4,065,358	-
Payable to subsidiary			206,848	128,341
Thar Energy Limited				
Unearned income under management services			306,814	-
Other related parties				
Payable to Hub Power Services Limited - Pension Fund			2,788	-
			3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
17. CASH AND CASH EQUIVALENTS				
Cash and bank balances			5,595,332	297,547
Short term borrowings			(21,652,391)	(22,623,475)
			<u>(16,057,059)</u>	<u>(22,325,928)</u>

18. FINANCIAL RISK MANAGEMENT
Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
September 2022				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,744,997	2,744,997
June 2022				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,070,833	3,070,833
			3 months ended Sep 2022	3 months ended Sep 2021

19. PLANT CAPACITY AND PRODUCTION
HUB PLANT

Theoretical Maximum Output	2,650 GWh	2,650 GWh
Total Output	203 GWh	527 GWh
Load Factor	8%	20%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,434 GWh (Sep 2021: 2,204 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

20. DATE OF AUTHORISATION

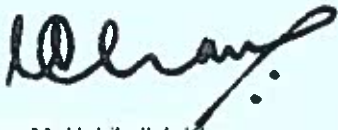
These condensed interim unconsolidated financial statements were authorised for issue on October 27, 2022 in accordance with the resolution of the Board of Directors.

21. SUBSEQUENT EVENT

The Board of Directors declared an interim cash dividend for the year ending June 30, 2023 at Rs. 15.50 per share, amounting to Rs. 20,106 million, at their meeting held on October 03, 2022. 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.

22. GENERAL

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



M. Habibullah Khan
Chairman



Kamran Kamal
Chief Executive



Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Turnover	5	29,589,832	26,339,723
Operating costs	6	(19,868,103)	(18,541,407)
GROSS PROFIT		9,721,729	7,798,316
General and administration expenses		(281,675)	(224,035)
Other income		412,284	216,842
Workers' profit participation fund	7	(30,836)	(23,090)
PROFIT FROM OPERATIONS		9,821,502	7,768,033
Finance costs	8	(2,335,917)	(1,659,737)
Share of profit from associates and joint venture - net	9	3,091,177	2,292,650
PROFIT BEFORE TAXATION		10,576,762	8,400,946
Taxation		(1,103,133)	(705,440)
PROFIT FOR THE PERIOD		9,473,629	7,695,506
Attributable to:			
- Owners of the holding company		9,098,807	7,416,509
- Non-controlling interest		374,822	278,997
		9,473,629	7,695,506
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		7.01	5.72

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Profit for the period	9,473,629	7,695,506
Other comprehensive income for the period		
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>		
(Loss) / gain on revaluation of equity investment at fair value through other comprehensive income	(325,836)	134,629
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,147,793	7,830,135
Attributable to:		
- Owners of the holding company	8,772,971	7,551,138
- Non-controlling interest	374,822	278,997
	9,147,793	7,830,135

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022


	Note	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	123,582,440	103,670,143
Intangibles		1,453,208	1,418,156
Long term investments	11	82,961,876	80,247,699
Long term deposits, prepayments and others		20,444	21,421
		208,017,968	190,357,419
CURRENT ASSETS			
Stores, spares and consumables		1,859,056	1,943,242
Stock-in-trade		2,231,408	4,813,726
Trade debts	12	82,704,336	84,749,156
Loans and advances		931,741	235,528
Prepayments and other receivables	13	18,072,003	19,060,398
Short term investments		-	6,465,204
Cash and bank balances		15,307,888	7,527,907
		121,106,432	124,795,161
TOTAL ASSETS		329,124,400	315,152,580
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Unappropriated profit		104,932,986	96,162,151
Attributable to owners of the holding company		123,504,530	114,733,695
NON-CONTROLLING INTEREST		11,948,128	10,768,499
		135,452,658	125,502,194
NON-CURRENT LIABILITIES			
Long term loans	14	96,394,686	91,575,169
Long term lease liabilities		1,255,697	1,466,049
Deferred taxation		11,715,910	10,849,008
		109,366,293	103,890,226
CURRENT LIABILITIES			
Trade and other payables	15	45,839,341	43,971,090
Unclaimed dividend		215,995	223,090
Unpaid dividend		112,248	405,346
Interest / mark-up accrued		2,908,544	3,107,238
Short term borrowings		21,055,351	24,172,516
Current maturity of long term loans		13,424,084	13,206,073
Current maturity of long term lease liabilities		749,886	674,807
		84,305,449	85,760,160
TOTAL EQUITY AND LIABILITIES		329,124,400	315,152,580
COMMITMENTS AND CONTINGENCIES			

16

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements


M Habibullah Khan
Chairman


Kamran Kamal
Chief Executive


Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		10,576,762	8,400,946
Adjustments for:			
Depreciation		1,263,025	1,175,563
Amortisation		643	3,034
Provision against slow moving stores, spares and consumables		82,738	88,527
Gain on disposal of fixed assets		141	15
Share of profit from associates and joint venture - net		(3,091,177)	(2,292,650)
Staff gratuity		16,427	9,436
Interest income		(70,620)	(51,404)
Interest / mark-up		2,190,991	1,546,563
Unrealized profit on management services to associate - TNPTL		144,610	55,005
Amortisation of transaction costs		24,224	28,615
Operating profit before working capital changes		<u>11,137,764</u>	<u>8,963,650</u>
Working capital changes		1,747,578	(2,533,091)
Cash generated from operations		<u>12,885,342</u>	<u>6,430,559</u>
Interest income received		22,263	10,064
Interest / mark-up paid		(1,834,360)	(1,721,073)
Staff gratuity paid		(719)	(53,052)
Taxes paid		(238,275)	(69,746)
Net cash generated from operating activities		<u>10,834,251</u>	<u>4,596,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,791,899)	(31,786,375)
Proceeds from disposal of fixed assets		725	1,218
Proceeds from disposal of short term investments		6,465,204	-
Long term investments made		-	(197,020)
Long term deposits and prepayments		977	(122)
Net cash generated from / (used in) investing activities		<u>675,007</u>	<u>(31,982,299)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(9,684)	(3,144)
Dividends paid to NCI		(290,509)	(226,604)
Proceeds from long term loans - net		4,162,330	37,449,789
Proceeds from advance received against issue of shares to NCI		806,231	-
Repayment of long term loans		(4,958,534)	(1,141,884)
Repayment of liabilities against assets subject to finance lease		(319,810)	(260,363)
Shares issue costs		(2,136)	-
Net cash (used in) / generated from financing activities		<u>(612,112)</u>	<u>35,817,794</u>
Net increase in cash and cash equivalents		10,897,146	8,432,247
Cash and cash equivalents at the beginning of the period		(16,644,609)	(27,551,937)
Cash and cash equivalents at the end of the period	19	<u>(5,747,463)</u>	<u>(19,119,690)</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY		
ISSUED CAPITAL		
Balance at the beginning of the period	12,971,544	12,971,544
Balance at the end of the period	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM		
Balance at the beginning of the period	5,600,000	5,600,000
Balance at the end of the period	<u>5,600,000</u>	<u>5,600,000</u>
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	96,162,151	82,255,366
Profit for the period	9,098,807	7,416,509
Share issue cost	(2,136)	-
Other comprehensive income for the period	(325,836)	134,629
Total comprehensive income for the period	8,770,835	7,551,138
Balance at the end of the period	<u>104,932,986</u>	<u>89,806,504</u>
Attributable to owners of the holding company	<u>123,504,530</u>	<u>108,378,048</u>
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	10,768,499	8,839,259
Investments made	806,231	-
Share issuance cost	(1,424)	-
Total comprehensive income for the period	374,822	278,997
Balance at the end of the period	<u>11,948,128</u>	<u>9,118,256</u>
TOTAL EQUITY	<u>135,452,658</u>	<u>117,496,304</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Abdul Nasir
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

1. STATUS AND NATURE OF BUSINESS

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

The Group consists of the holding company and following subsidiaries, associates and joint ventures:

Subsidiaries

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

Associates

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

Joint Ventures

- Prime International Oil & Gas Company Limited - Holding of 50% via HPHL; and
- China Power Hub Operating Company (Private) Limited (CPHO) - Holding of 49% via HPHL.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited condensed interim consolidated financial statements of the holding company for the first quarter ended September 30, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the holding company's annual consolidated financial statements for the year ended June 30, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2022.

On September 15, 2022, SECP further extended the exemption of application of Expected Credit Loss model under IFRS – 9 "Financial Instruments" in respect of financial assets due from Government of Pakistan up to June 30, 2023. Accordingly, the holding company has applied the requirements of IAS – 39 in these condensed interim consolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements are same as those applied in the holding company's annual consolidated financial statements for the year ended June 30, 2022. The Group's financial risk management objectives and policies are consistent with those disclosed in the holding company's annual audited consolidated financial statements for the year ended June 30, 2022.

	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
5. TURNOVER		
Capacity Purchase Price (CPP)	10,562,851	8,593,217
Energy Purchase Price (EPP)	18,766,151	17,636,713
Late Payment Interest (LPI)	2,203,839	1,790,987
Startup Charges (SC)	138,835	198,067
Part Load Adjustment Charges (PLAC)	454,481	667,935
	<u>32,126,157</u>	<u>28,886,919</u>
Less: Sales tax on EPP	<u>(2,536,325)</u>	<u>(2,547,196)</u>
	<u>29,589,832</u>	<u>26,339,723</u>
6. OPERATING COSTS		
Fuel cost	16,328,324	15,448,958
Late Payment Interest to fuel suppliers	636,222	441,195
Water use charges	63,574	41,380
Salaries, benefits and other allowances	228,801	307,654
Stores and spares	248,028	393,189
Insurance	556,721	353,846
Depreciation	1,254,320	1,159,900
Amortisation	161	2,681
Repairs, maintenance and other costs	551,952	392,604
	<u>19,868,103</u>	<u>18,541,407</u>
7. WORKERS' PROFIT PARTICIPATION FUND		
Provision for Workers' profit participation fund	320,390	272,569
Workers' profit participation fund recoverable from CPPA(G)	<u>(289,554)</u>	<u>(249,479)</u>
	<u>30,836</u>	<u>23,090</u>
8. FINANCE COSTS		
Interest / mark-up on long term loans	1,491,968	962,495
Mark-up on short term borrowings	660,257	551,732
Mark-up on long term lease liabilities	38,851	32,336
Amortisation of transaction costs	24,224	28,615
Other finance costs	120,617	84,559
	<u>2,335,917</u>	<u>1,659,737</u>



	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET			
Associates			
- China Power Hub Generation Company (Private) Limited		2,959,129	2,367,226
- representing 47.5% equity shares		(93,446)	(74,754)
- obligation in respect of profit on shares related to GoB		2,865,683	2,292,472
- ThalNova Power Thar (Private) Limited		39,016	(1,408)
		2,904,699	2,291,064
Joint Ventures			
- Prime International Oil & Gas Company Limited		-	1,586
- China Power Hub Operating Company (Private) Limited (CPHO)		186,478	-
		3,091,177	2,292,650
		Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	10.1	37,081,517	37,717,818
Capital work-in-progress			
NEL		32,010	32,133
TEL		86,468,913	70,920,192
		86,500,923	70,952,325
		123,582,440	108,670,143
10.1 Additions to property, plant and equipment during the current period were Rs. 679 million (Sep 2021: Rs. 515 million) which includes Rs. 670 million exchange loss capitalized on foreign currency loans (Sep 2021: Rs. 502 million exchange gain), and disposals therefrom at net book value were Rs. Nil (Sep 2021: Rs. 2 million).			
		Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
11. LONG TERM INVESTMENTS			
Investment in associates - unquoted			
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1	74,645,355	71,686,226
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	4,805,085	4,910,679
Investment in joint ventures (under equity method) - unquoted			
- Prime International Oil and Gas Company Limited (Prime)	11.3	467,327	467,327
- China Power Hub Operating Company (Private) Limited (CPHO)	11.4	299,112	112,634
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		2,744,997	3,070,833
		82,961,876	80,247,699



	Note	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
11.1 China Power Hub Generation Company (Private) Limited (CPHGC)			
Opening investment		71,686,226	62,257,314
Share of profit from associate		2,959,129	9,430,025
Share of other comprehensive income from associate		-	(1,113)
Closing balance		<u>74,645,355</u>	<u>71,686,226</u>
11.2 ThaiNova Power Thar (Private) Limited (TNPTL)			
Opening investment		4,910,679	4,946,648
Investment during the year		-	861,075
Share of (loss) / profit from associate		39,016	(5,028)
Unrealized profit on management services		(144,610)	(882,434)
Group's share in share issue cost		-	(9,582)
		<u>4,805,085</u>	<u>4,910,679</u>
11.3 Prime International Oil and Gas Company Limited (Prime)			
Opening investment		467,327	267,507
Investment during the year		-	198,733
Share of profit / (loss) from joint venture		-	1,087
		<u>467,327</u>	<u>467,327</u>
11.4 China Power Hub Operating Company (Private) Limited (CPHO)			
Opening investment		112,634	-
Investment during the year		-	8,441
Share of profit / (loss) from joint venture		186,478	104,193
		<u>299,112</u>	<u>112,634</u>
12. TRADE DEBTS - Secured			
Considered good - Secured			
Capacity Purchase Price (CPP)		22,573,943	26,550,445
Energy Purchase Price (EPP)		39,473,084	32,315,375
Late Payment Interest (LPI)	12.1	19,406,895	24,502,080
Startup Charges (SC)		219,851	294,168
Part Load Adjustment Charges (PLAC)		885,120	745,767
Pass through item		145,443	341,321
	12.2	<u>82,704,336</u>	<u>84,749,156</u>
12.1 This also includes Rs. 2,958 million (June 2022: Rs. 4,544 million) related to LPI which is not yet billed by the Group			
12.2 This includes an amount of Rs. 56,997 million (June 2022: Rs. 58,770 million) from CPPA(G) and Rs. 6,114 million (June 2022: Rs. 3,648 million) from NTDC which are overdue but not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreements (IA)			

In case of HUBCO, the delay in payments from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually while in case of NEL, the delay in payment from CPPA(G) carries mark-up at three month KIBOR plus 2% per annum for first 60 days from due date and thereafter three month KIBOR plus 4.5% per annum. In case of LEL, delay in payment from NTDC carry mark-up at a rate of three month KIBOR plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.



	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	236,466	98,222
Other receivables		
Interest accrued	34,622	10,693
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	9,792,790	10,026,259
Advance tax	23,018	20,974
Receivable from CPHGC	26,124	31,701
Receivable from CPHO	31,833	31,833
Receivable from TNPTL	15,280	16,787
Receivable from TNPTL against services agreement	2,179,796	3,553,948
Staff gratuity	22,042	37,583
Workers' profit participation fund recoverable from CPPA(G)	4,856,464	4,566,877
Hub Power Services Limited - Pension Fund	-	512
Miscellaneous	481,099	292,540
	<u>17,835,537</u>	<u>18,962,176</u>
	<u>18,072,003</u>	<u>19,060,398</u>

14. LONG TERM LOANS

14.1 During the period, TEL has drawn Rs. 4,162 million under long term Pak Rupee loan facility.

15. TRADE AND OTHER PAYABLES

This includes Rs. 24,554 million (June 2022: Rs. 22,742 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 21,416 million (June 2022: Rs. 19,419 million).

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

16. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of commitments and contingencies as disclosed in the annual consolidated financial statements of the Group for the year ended June 30, 2022.



17. SEGMENT INFORMATION

17.1 SEGMENT ANALYSIS

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

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

	3 months ended Sep 2022						Total	
	Hub plant	Power Generation Narowal plant	Laraib plant	Operations and Maintenance	Investments	Unallocated		Eliminations
	(Rs. '000s)							
Turnover	17,416,700	9,942,275	2,230,857	168,087	-	-	(168,087)	29,589,832
Operating costs	(11,033,309)	(8,148,316)	(725,848)	(63,032)	-	-	102,402	(19,868,103)
GROSS PROFIT	6,383,391	1,793,959	1,505,009	105,055	-	-	(65,685)	9,721,729
General and administration expenses	(164,624)	(20,402)	(19,967)	(26,740)	(33,488)	-	(16,454)	(281,675)
Other income	2	2,164	81,330	23,036	66,695	616,721	(377,664)	412,284
Other operating expenses	-	-	-	-	-	(30,836)	-	(30,836)
PROFIT FROM OPERATIONS	6,218,769	1,775,721	1,566,372	101,351	33,207	585,885	(459,803)	9,821,502
Finance costs	(231,377)	(44,008)	(144,593)	(102)	(2,270,775)	-	354,938	(2,335,917)
Share of profit from associates	-	-	-	-	3,091,177	-	-	3,091,177
PROFIT BEFORE TAXATION	5,987,392	1,731,713	1,421,779	101,249	853,609	585,885	(104,865)	10,576,762
Taxation	-	(628)	(5,474)	(34,668)	(869,020)	(193,343)	-	(1,103,133)
PROFIT FOR THE PERIOD	5,987,392	1,731,085	1,416,305	66,581	(15,411)	392,542	(104,865)	9,473,629



	3 months ended Sep 2021				
	Power Generation Hub plant	Narawal plant	Laraib plant	Operations and Maintenance (Rs. '000s)	Total
Turnover	18,055,089	6,477,265	1,807,558	120,631	26,339,723
Operating costs	(12,508,169)	(5,397,725)	(592,193)	(89,773)	(18,541,407)
GROSS PROFIT	5,546,920	1,079,540	1,215,365	30,858	7,798,316
General and administration expenses	(138,663)	(15,363)	(15,245)	(15,801)	(224,035)
Other income	142	1,676	37,908	16,918	216,842
Other operating expenses	-	-	-	-	(23,090)
PROFIT FROM OPERATIONS	5,408,399	1,065,853	1,238,028	31,975	7,768,033
Finance costs	(309,943)	(178,299)	(126,780)	(760)	(1,659,737)
Share of loss from associates	-	-	-	2,292,650	2,292,650
PROFIT BEFORE TAXATION	5,098,456	887,554	1,111,248	31,215	8,400,946
Taxation	-	(484)	(900)	(8,687)	(705,440)
PROFIT FOR THE PERIOD	5,098,456	887,070	1,110,348	22,528	7,695,506

17.2 SEGMENT ASSETS & LIABILITIES

	As at Sep 30, 2022				
	Power Generation Hub plant	Narawal plant	Laraib plant	Operations and Maintenance (Rs. '000s)	Total
Assets	90,683,542	42,201,975	26,709,634	575,279	329,124,400
Liabilities	54,233,688	7,636,851	7,232,110	355,653	193,671,742
				As at Jun 30, 2022	
				Operations and Maintenance (Rs. '000s)	
Assets	92,498,399	46,005,877	26,806,880	522,407	315,152,580
Liabilities	59,167,224	13,171,838	8,745,661	369,362	189,650,386

18. RELATED PARTY TRANSACTIONS AND BALANCES

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

18.1 Details of Transactions

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
Associates			
ThalNova Power Thar (Private) Limited (TNPTL)			
Reimbursable expenses incurred by the holding company		6,601	104,560
Services rendered by the holding company		520,972	257,257
Receipts against reimbursement of expenses from TNPTL		-	22,232
Receipts against services rendered to TNPTL		2,073,423	262,732
Allocation of staff salaries and benefits by TEL		8,056	4,179
Reimbursable expenses allocated by TEL		92,329	228
China Power Hub Generation Company (Private) Limited (CPHGC)			
Services rendered to CPHGC		27,081	-
Receipt against services rendered to CPHGC		32,657	-
Other related parties			
Investment in SECMC		-	197,021
Remuneration to key management personnel			
Salaries, benefits and other allowances		36,980	65,776
Retirement benefits		5,301	1,743
	18.1.1	42,281	67,519
Directors' fee	18.1.2	2,000	2,075
Contribution to staff retirement benefit plans		21,018	64,927
Dividend paid to NCI - Coate & Co. Private Limited		276,077	215,297
Proceeds from disposals of assets		-	725

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

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

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

18.2 Details of Outstanding Balances

	Sep 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
Associates		
ThalNova Power Thar (Private) Limited (TNPTL)		
Unearned income under management services	-	329,701
Other related parties		
Payable to staff retirement benefit plans	2,860	9,388

	Note	3 months ended Sep 2022 (Rs. '000s)	3 months ended Sep 2021 (Rs. '000s)
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances	19.1	15,307,888	7,316,196
Short term borrowings		(21,055,351)	(26,435,886)
		<u>(5,747,463)</u>	<u>(19,119,690)</u>

19.1 This includes an amount of Rs. 2,291 million placed with a bank as a security for issuance of equity Standby Letter of Credit (SBLC) of TNPTL.

20. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3 (Rs. '000s)	Total
Sep 2022				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,744,997	2,744,997
June 2022				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,070,833	3,070,833



3 months ended
Sep 2022

3 months ended
Sep 2021

21. PLANT CAPACITY AND PRODUCTION

HUB PLANT

Theoretical Maximum Output	2,650 GWh	2,650 GWh
Total Output	203 GWh	527 GWh
Load Factor	8%	20%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,434 GWh (Sep 2021: 2,204 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

3 months ended
Sep 2022

3 months ended
Sep 2021

NAROWAL PLANT

Theoretical Maximum Output	472 GWh	472 GWh
Total Output	208 GWh	267 GWh
Load Factor	44%	57%

Practical maximum output for the power plant, taking into account all the scheduled outages is 394 GWh (Sep 2021: 442 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

3 months ended
Sep 2022

3 months ended
Sep 2021

LARAIB PLANT

Theoretical Maximum Output	185 GWh	185 GWh
Total Output	47 GWh	100 GWh
Load Factor	25%	54%

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

22. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on October 27, 2022 in accordance with the resolution of the Board of Directors.

23. SUBSEQUENT EVENT


The Board of Directors of the holding company declared an interim cash dividend for the year ending June 30, 2023 of Rs. 15.50 per share, amounting to Rs. 20,106 million, at their meeting held on October 03, 2022. 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.

24. GENERAL

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


M. Habibullah Khan
Chairman


Kamran Kamal
Chief Executive


Abdul Nasir
Chief Financial Officer

ڈائریکٹرز کا جائزہ

30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لئے مربوط اور غیر مربوط مالی بیانات پر ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 30 ستمبر 2022ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی مالی اور آپریشنل کارکردگی کا ایک جامع جائزہ پیش کرتے ہوئے خوش ہے۔

اہم مالیاتی جھلکیاں:

زیر جائزہ مدت کے دوران مجموعی خالص منافع 9,099 ملین روپے رہا، جس کے نتیجے میں فی حصص آمدنی 7.01 روپے رہی جبکہ گزشتہ سال کی اسی مدت کے دوران خالص منافع 7,417 ملین روپے اور ای پی ایس 5.72 روپے تھا۔ منافع میں اضافہ بنیادی طور پر امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور ایسوسی ایٹس سے منافع کے زیادہ حصے کی وجہ سے ہے۔

زیر جائزہ مدت کے دوران غیر مربوط خالص منافع 4,452 ملین روپے رہا، جس کے نتیجے میں ای پی ایس 3.43 روپے رہا جبکہ گزشتہ سال کے اسی عرصے کے دوران 4,427 ملین روپے کا خالص منافع اور 3.41 ملین روپے کا ای پی ایس ہوا تھا۔ غیر مستحکم منافع میں اضافہ بنیادی طور پر امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہے، جزوی طور پر زیادہ شرح سود کی وجہ سے اعلیٰ مالی اخراجات کے اثرات کی وجہ سے آفسیٹ کیا گیا ہے۔

بورڈ آف ڈائریکٹرز نے 30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کے لئے 15.50 روپے فی حصص کے عبوری ڈیویڈنڈ کا اعلان کیا جو 3 اکتوبر 2022ء کو منعقد ہونے والے اپنے اجلاس میں تھا۔

اہم آپریشنل جھلکیاں:

زیر نظر مدت کے لئے اہم آپریشنل جھلکیاں مندرجہ ذیل ہیں:

تکنیکی پیرامیٹرز	حب	نارووال	لاریب	سی پی ایچ جی سی
نیٹ الیکٹریکل اوٹ پٹ (جی ڈبلیو ایچ)	203	208	47	901
لوڈ فیکٹر (%)	7.68%	44%	25%	33%

ترقی کے منصوبے:

تھر بلاک ٹو میں 330 میگاواٹ کے تھر انرجی لمیٹڈ (ٹی ای ایل) منصوبے نے یکم اکتوبر 2022ء کو 22 ملین محفوظ گھنٹے کے ساتھ کمرشل آپریشنز کامیابی کے ساتھ مکمل کر لیے ہیں۔

تھر بلاک ٹو میں 330 میگاواٹ کے تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (ٹی این پی ٹی ایل) منصوبے نے منصوبے کی تعمیر کا 90.01 فیصد کام مکمل کر لیا ہے اور مالی سال 2022 کی چوتھی سہ ماہی تک کمرشل آپریشنز ڈیٹ (سی او ڈی) کے حصول کے اہداف حاصل کر لیے گئے ہیں۔ تھل نووا کی مالی بندش 30 ستمبر، 2020 کو حاصل کی گئی تھی۔ اس کے بعد اس منصوبے کے لیے امریکی ڈالر اور پاکستانی روپے کے قرضے استعمال کیے جا رہے ہیں۔

حبکو 50:50 جوائنٹ وینچر کمپنی پرائم انٹرنیشنل آئل اینڈ گیس کمپنی کے ذریعے پاکستان میں ای این آئی کا کاروبار حاصل کرنے کے عمل میں ہے۔ ای اینڈ پی سیکٹر کی حکمت عملی کے ایک حصے کے طور پر، جے وی ملکیتی اثاثوں میں نامیاتی نمو کے مواقع کے ساتھ ساتھ سرکاری نیلامیوں کی بنیاد پر نئے شعبوں میں ممکنہ نمو کے مواقع کا تعاقب کرے گا۔

سندھ اینگرو کول مائننگ کمپنی (ایس ای سی ایم سی) نے 10 اکتوبر 2022 کو منصوبے کے دوسرے مرحلے کی کمرشل آپریشنز ڈیٹ (سی او ڈی) کامیابی کے ساتھ حاصل کر لی ہے جس کے نتیجے میں پیداواری صلاحیت 3.8 ملین ٹن سالانہ (ایم ٹی پی اے) سے بڑھ کر 7.6 ملین ٹن سالانہ (ایم ٹی پی اے) ہو گئی ہے۔

کراچی میں پانی کی قلت کے مسئلے کو حل کرنے کے وژن کے مطابق حبکو نے اپنی نوعیت کے پہلے گندے پانی کی ری سائیکلنگ منصوبے کا تصور تیار کیا اور حکومت سندھ (جی او ایس) کو ایک غیر مطلوبہ تجویز (یو ایس پی) پیش کی۔ اس منصوبے کا مقصد سائٹ انڈسٹریل ایریا سے سمندر میں چھوڑے جانے والے غیر علاج شدہ میونسپل پانی کو ری سائیکل کرنا اور اسے صنعتی کھپت کے لئے واپس فراہم کرنا ہے جس سے گھریلو صنعتوں کے لئے پائیدار، مستقل اور ماحول دوست حل پیدا ہوتا ہے۔ یو ایس پی کو کے ڈبلیو اینڈ ایس بی نے قبول کیا تھا اور پہلے انکار کا حق دیا گیا ہے۔ حبکو فعال طور پر اس منصوبے کا تعاقب جاری رکھے ہوئے ہے کیونکہ جی او ایس مسابقتی بولی کے مرحلے کی طرف آگے بڑھ رہا ہے اور ہمیں امید ہے کہ مثبت بیرونی چیزیں پیدا کرتے ہوئے اپنے کاروباری اور تنوع کے مفادات کو مزید وسعت دیں گے۔

اس کے علاوہ ہم قابل تجدید توانائی میں مواقع کا جائزہ لینا جاری رکھتے ہیں کیونکہ مارکیٹ اصلاحات پر عمل درآمد کیا جاتا ہے اور دلچسپی کے نئے شعبوں کو عملی جامہ پہنایا جاتا ہے۔

کمپنی اپنے حصص یافتگان، ملازمین، کاروباری شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کی شکر گزار ہے جنہوں نے ترقی اور خوشحالی کی جانب ہمارے سفر میں اعتماد اور حمایت کی۔

بحکم بورڈ

ایم حبیب اللہ خان
چیئرمین

کامران کمال
چیف ایگزیکٹو آفیسر