



**The Hub Power Company Limited**

Unaudited Financial Statements  
for the Half Yearly / 2<sup>nd</sup> Quarter Ended  
December 31, 2022

## **Contents**

### **The Hub Power Company Limited**

Company Information

Directors' Report English

Condensed Interim Unconsolidated Statement of Profit or Loss

Condensed Interim Unconsolidated Statement of Comprehensive Income

Condensed Interim Unconsolidated Statement of Financial Position

Condensed Interim Unconsolidated Statement Cash Flow

Condensed Interim Unconsolidated Statement of Changes in Equity

Notes to the Condensed Interim Unconsolidated Financial Statements

### **The Hub Power Company Limited and its Subsidiary Company**

Condensed Interim Consolidated Statement of Profit or Loss

Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Financial Position

Condensed Interim Consolidated Statement Cash Flow

Condensed Interim Consolidated Statement of Changes in Equity

Notes to the Condensed Interim Consolidated Financial Statements

Directors' Report Urdu

### **Company Information**

#### **Board of Directors**

M. Habibullah Khan	Chairman
Muhammad Kamran Kamal	Chief Executive
Samina Mumtaz Zehri	GOB Nominee
Saad Iqbal	
Aly Khan	
Aleeya Khan	
Manzoor Ahmed	
Nadeem Inayat	
Shafiuddin Ghani Khan	

#### **Audit Committee**

Manzoor Ahmed	Chairman
Aly Khan	
Saad Iqbal	
Nadeem Inayat	

#### **Company Secretary**

Faiza Kapadia Raffay

#### **Leadership Team**

Muhammad Kamran Kamal  
Saleemullah Memon  
Muhammad Saqib  
Muhammad Talha  
Amjad Ali Raja  
Fayyaz Ahmed Bhatti  
Faiza Kapadia Raffay

#### **Registered & Head Office**

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

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

**Principal Bankers**

Allied Bank of Pakistan  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Bank Islami Pakistan Limited  
Bank of Punjab  
Al-Baraka Bank (Pakistan) Limited  
Citibank N.A. Pakistan  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China  
JS Bank Limited  
MCB Bank  
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  
Registrar**

A.F.F Ferguson & Co.  
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  
(Subsidiary)**

Office # 12, Second Floor, Executive Complex,  
G-8, Markaz, Islamabad

## DIRECTORS' REVIEW

### REPORT OF DIRECTORS ON THE CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED ON DECEMBER 31<sup>st</sup>, 2022

The Board of Directors is pleased to present a concise overview of the financial and operational performance of the Company for the half year ended on December 31<sup>st</sup>, 2022.

#### Key Financial Highlights:

- Consolidated net profit during the period under review was Rs. 22,398 million, resulting in Earnings Per Share of Rs. 17.27 compared to net profit of Rs. 12,212 million and EPS of Rs. 9.41 during the same period last year. The increase in profit is mainly due to higher share of profit from associates, commencement of profits from Thar Energy Limited following the start of its commercial operations, depreciation of PKR against USD and partly offset by impact of higher finance costs due to higher interest rate.
- Unconsolidated net profit during the period under review was Rs. 15,763 million, resulting in EPS of Rs. 12.15 compared to net profit of Rs. 9,066 million and EPS of Rs. 6.99 during the same period last year. The increase in unconsolidated profit is mainly due to Dividend income from NEL and partly offset by impact of higher finance costs due to higher interest rate.

#### Key Operational Highlights:

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

Technical Parameters	Hub	Narowal	Laraib	CPHGC	TEL
Net Electrical Output (GWh)	203	227	158	1207	522
Load Factor (%)	3.84%	24.14%	42.64%	22.40%	78.7%

#### Growth Projects:

Post achieving its commercial operations on October 1, 2022, the lignite-based 330 MW Thar Energy Limited (TEL) Project in Thar Block II has added 522 GWh in National Grid with 2.13 million safe man hours.

Post half year Dec 31, 2022, Company's other investment in Thar which is 330 MW ThalNova Power Thar (Private) Limited (TNPTL) Project in Thar Block II also successfully achieved commissioning, with the Commercial Operations Date (COD) to take effect from February 17, 2023, in terms of the Power Purchase Agreement dated July 21, 2017 (the "PPA") entered into between TN and the Central Power Purchasing Agency (Guarantee) Limited.

HUBCO completed the acquisition of Eni's business 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.

In line with the vision to resolve the water scarcity issue of Karachi, HUBCO has submitted a revised Unsolicited Proposal to develop a concept for a first of its kind Wastewater Recycling project 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. HUBCO is likely to be issued a Right of First Refusal under the revised submission and will be prequalified for the project as GoS initiates procurement under international competitive bidding. As we pursue this project 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. HUBCO is also actively evaluating opportunities in electric vehicles and its related infrastructure to further diversify our portfolio as the government aims to meet the country's carbon reduction targets.

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



Muhammad Kamran Kamal  
Chief Executive Officer



M. Habibullah Khan  
Chairman

Dated: 27 February 2023



**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of The Hub Power Company Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of The Hub Power Company Limited as at December 31, 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the half year then ended (here-in-after referred to as "the condensed interim unconsolidated financial statements"). **Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.** Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income and notes thereto for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

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 condensed interim unconsolidated financial statements 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 unconsolidated financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement **partner on the review resulting in this independent auditor's review report** is Waqas Aftab Sheikh.

Chartered Accountants  
Karachi

Date: February 27, 2023

UDIN: **RR2022100691E9LcfAex**





THE HUB POWER COMPANY LIMITED  
CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF PROFIT OR LOSS (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		3 months ended Dec 2022 (Rs.'000s)	3 months ended Dec 2021 (Rs.'000)	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
Turnover	5	8,414,774	13,415,054	25,831,474	31,470,143
Operating costs	6	(2,391,476)	(7,680,376)	(13,424,785)	(20,188,545)
<b>GROSS PROFIT</b>		<b>6,023,298</b>	<b>5,734,678</b>	<b>12,406,689</b>	<b>11,281,598</b>
General and administration expenses		(226,421)	(145,182)	(391,045)	(283,845)
Other income	7	8,220,187	531,580	8,836,910	993,518
Workers' profit participation fund	8	(410,431)	(24,389)	(441,267)	(47,479)
<b>PROFIT FROM OPERATIONS</b>		<b>13,606,633</b>	<b>6,096,687</b>	<b>20,411,287</b>	<b>11,943,792</b>
Finance costs	9	(2,248,260)	(1,369,011)	(4,407,736)	(2,675,445)
<b>PROFIT BEFORE TAXATION</b>		<b>11,358,373</b>	<b>4,727,676</b>	<b>16,003,551</b>	<b>9,268,347</b>
Taxation		(47,033)	(88,166)	(240,376)	(202,191)
<b>PROFIT FOR THE PERIOD</b>		<b>11,311,340</b>	<b>4,639,510</b>	<b>15,763,175</b>	<b>9,066,156</b>
Basic and diluted earnings per share (Rupees)		8.72	3.58	12.15	6.99

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Muhammad Saqib  
Chief Financial Officer



THE HUB POWER COMPANY LIMITED  
CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	3 months ended Dec 2022 (Rs.'000s)	3 months ended Dec 2021 (Rs.'000)	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
Profit for the period	11,311,340	4,639,510	15,763,175	9,066,156
Other comprehensive income / (loss) for the period:				
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>				
Gain / (loss) on revaluation of equity investment at fair value through other comprehensive income	124,947	23,304	(200,889)	157,933
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>11,436,287</b>	<b>4,662,814</b>	<b>15,562,286</b>	<b>9,224,089</b>

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Muhammad Saqib  
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022**

	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Property, plant and equipment	10	7,439,827	8,313,972
Intangibles		1,453	2,335
Long term investments	11	62,199,962	60,320,004
Long term loan to subsidiary	17.2	2,752,469	1,488,819
Long term deposits and prepayments		10,909	8,509
		72,404,620	70,133,639
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		860,764	1,015,606
Stock-in-trade		1,831,287	1,831,392
Trade debts	12	50,627,914	62,919,266
Loans and advances		24,311	47,151
Prepayments and other receivables	13	17,107,147	17,672,969
Short term investment - at fair value	14	347,126	-
Cash and bank balances		9,866,058	388,464
		80,664,607	83,874,848
<b>TOTAL ASSETS</b>		153,069,227	154,008,487
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share Capital</b>			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
<b>Capital Reserve</b>			
Share premium		5,600,000	5,600,000
<b>Revenue Reserve</b>			
Unappropriated profit		38,372,973	42,916,580
		56,944,517	61,488,124
<b>NON-CURRENT LIABILITIES</b>			
Long term loans		18,435,305	21,785,632
Long term lease liabilities		181,179	188,691
		18,616,484	21,974,323
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	37,593,525	33,123,182
Unclaimed dividend		215,333	223,090
Unpaid dividend		138,299	114,837
Interest / mark-up accrued		1,015,024	850,810
Short term borrowings		28,023,494	26,169,940
Current maturity of long term loans		10,508,250	10,051,655
Current maturity of long term lease liabilities		14,301	12,526
		77,508,226	70,546,040
<b>TOTAL EQUITY AND LIABILITIES</b>		153,069,227	154,008,487
<b>COMMITMENTS AND CONTINGENCIES</b>			
	16		


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




**M. Habibullah Khan**  
Chairman



**Kamran Kamal**  
Chief Executive



**Muhammad Saqib**  
Chief Financial Officer

**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		16,003,551	9,268,347
Adjustments for:			
Depreciation		936,037	953,243
Amortisation		882	4,697
Dividend income from subsidiaries		(8,058,567)	(200,000)
Gain on disposal of fixed assets		(11,592)	(43,232)
Provision against slow moving stores, spares and consumables		143,918	164,294
Staff gratuity		14,727	19,913
Interest income		(16)	(21)
Interest / mark-up expense		4,052,453	2,406,017
Mark-up on lease liabilities		10,547	16,671
Amortisation of transaction costs		36,666	49,965
Operating profit before working capital changes		<u>13,128,606</u>	<u>12,639,894</u>
Working capital changes		<u>16,348,854</u>	<u>12,427,327</u>
Cash generated from operations		29,477,460	25,067,221
Interest income received		16	180
Interest / mark-up paid		(3,888,239)	(2,444,298)
Staff gratuity paid		(4,500)	(2,000)
Taxes paid		(107,316)	(158,274)
Net cash generated from operating activities		<u>25,477,421</u>	<u>22,462,829</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend received from subsidiaries		8,927,813	878,012
Fixed capital expenditure		(61,959)	(5,670)
Proceeds from disposal of fixed assets		11,659	30,642
Short term investment made		(347,126)	(11,250,265)
Long term investments made		(2,080,846)	(449,001)
Long term loan to subsidiary		(1,263,650)	-
Long term deposits and prepayments		(2,400)	13,558
Net cash generated from / (used in) investing activities		5,183,491	(10,782,724)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(20,090,188)	(6,437,881)
Proceeds from long term loans		2,268,301	-
Repayment of long term loans		(5,198,701)	(1,008,980)
Repayment of long term lease liabilities		(16,284)	(24,618)
Net cash used in financing activities		<u>(23,036,872)</u>	<u>(7,471,479)</u>
Net increase in cash and cash equivalents		7,624,040	4,208,626
Cash and cash equivalents at the beginning of the period		<u>(25,781,476)</u>	<u>(26,768,577)</u>
Cash and cash equivalents at the end of the period	18	<u>(18,157,436)</u>	<u>(22,559,951)</u>

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




**M. Habibullah Khan**  
Chairman



**Kamran Kamal**  
Chief Executive



**Muhammad Saqib**  
Chief Financial Officer



THE HUB POWER COMPANY LIMITED  
CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	6 months ended Dec 2022 (Rs. '000s)	6 months ended Dec 2021 (Rs. '000s)
<b>ISSUED CAPITAL</b>		
Balance at the beginning and end of the period	<u>12,971,544</u>	<u>12,971,544</u>
<b>SHARE PREMIUM</b>		
Balance at the beginning and end of the period	<u>5,600,000</u>	<u>5,600,000</u>
<b>UNAPPROPRIATED PROFIT</b>		
Balance at the beginning of the period	42,916,580	36,352,890
Profit for the period	15,763,175	9,066,156
Other comprehensive (loss) / income for the period	(200,889)	157,933
<b>Total comprehensive income for the period</b>	15,562,286	9,224,089
<b>Transactions with owners in their capacity as owners</b>		
Final dividend for the fiscal year 2021-22 @ Rs. Nil (2020-21 @ Rs. 5.00) per share	-	(6,485,772)
Interim dividend for the fiscal year 2022-23 @ Rs. 15.5 (2021-22 @ Rs. Nil) per share	(20,105,893)	-
	(20,105,893)	(6,485,772)
Balance at the end of the period	<u>38,372,973</u>	<u>39,091,207</u>
<b>TOTAL EQUITY</b>	<u>56,944,517</u>	<u>57,662,751</u>

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

M. Habibullah Khan  
Chairman

Kamran Kamal  
Chief Executive

Muhammad Saqib  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**1. THE COMPANY AND ITS OPERATIONS**

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

The Company has the following subsidiaries, 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
- 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 condensed interim unconsolidated financial statements of the Company for the half year ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2022. These condensed interim unconsolidated financial statements of the Company for the half year ended December 31, 2022 are unaudited but subject to limited scope review by the statutory auditors as required by applicable laws. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed by the statutory auditors of the Company as they are only required to review the cumulative figures for the half years ended December 31, 2022 and 2021.

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

During the period, upon application filed by the Company, on September 15, 2022 SECP further extended the exemption of application of Expected Credit Loss (ECL) model under IFRS – 9 "Financial Instruments" in respect of financial assets due from Government of Pakistan up to June 30, 2023. Moreover, the SECP through S.R.O. 67 (I)/2023 dated January 20, 2023, further extended the exemption on application of ECL model under IFRS – 9 "Financial Instruments" in respect of financial assets due from Government of Pakistan for the financial year ending on or before December 31, 2024. Accordingly, the Company has applied the requirements of IAS – 39 in these condensed interim unconsolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

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

The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the Company's annual audited unconsolidated financial statements for the year ended June 30, 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 Dec 2022 (Rs.'000s)	3 months ended Dec 2021 (Rs.'000)	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
<b>5. TURNOVER</b>					
Capacity Purchase Price (CPP)		6,853,791	6,356,873	13,706,720	12,365,699
Energy Purchase Price (EPP)		-	6,600,517	9,683,818	18,276,783
Late Payment Interest (LPI)		1,560,983	1,213,827	3,230,092	2,406,589
Startup Charges (SC)		-	56,978	138,835	255,045
Part Load Adjustment Charges (PLAC)		-	141,724	454,481	809,659
		<u>8,414,774</u>	<u>14,369,919</u>	<u>27,213,946</u>	<u>34,113,775</u>
Less: Sales tax on EPP		-	(954,865)	(1,382,472)	(2,643,632)
		<u>8,414,774</u>	<u>13,415,054</u>	<u>25,831,474</u>	<u>31,470,143</u>

#### 6. OPERATING COSTS

Fuel cost		49,957	5,938,167	8,964,447	16,749,370
Late payment interest to fuel supplier		825,791	555,505	1,462,013	996,700
Stores and spares		148,890	108,756	280,620	247,095
Operations and maintenance	6.1	27,374	31,822	54,747	63,822
Salaries, benefits and other allowances	6.2	148,072	118,812	288,917	273,769
Insurance		325,250	239,713	643,330	470,175
Depreciation		457,695	463,743	915,829	927,658
Amortisation		160	1,645	321	4,073
Repairs, maintenance and other costs		408,287	222,213	814,561	455,883
		<u>2,391,476</u>	<u>7,680,376</u>	<u>13,424,785</u>	<u>20,188,545</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 Dec 2022 (Rs.'000s)	3 months ended Dec 2021 (Rs.'000)	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
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#### 7. OTHER INCOME

##### Financial assets

Interest income		14	13	16	21
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##### Non-financial assets

Gain on disposal of fixed assets - net		11,592	43,408	11,592	43,232
Dividend income from HPSL		215,000	150,000	215,000	200,000
Dividend income from NEL		7,843,567	-	7,843,567	-
Income from management services	7.1	150,014	337,791	766,735	749,592
Exchange gain - net		-	368	-	673
		<u>8,220,173</u>	<u>531,567</u>	<u>8,836,894</u>	<u>993,497</u>
		<u>8,220,187</u>	<u>531,580</u>	<u>8,836,910</u>	<u>993,518</u>

	3 months ended Dec 2022 (Rs.'000s)	3 months ended Dec 2021 (Rs.'000)	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
<b>7.1 Income from management services</b>				
Services income	381,757	1,863,511	1,155,705	2,550,327
Cost of services	(231,743)	(1,525,720)	(388,970)	(1,800,735)
	<u>150,014</u>	<u>337,791</u>	<u>766,735</u>	<u>749,592</u>

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

	3 months ended Dec 2022 (Rs.'000s)	3 months ended Dec 2021 (Rs.'000)	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
<b>8. WORKERS' PROFIT PARTICIPATION FUND</b>				
Provision for Workers' profit participation fund	588,439	237,600	822,243	465,791
Workers' profit participation fund recoverable from CPPA(G)	(178,008)	(213,211)	(380,976)	(418,312)
	<u>410,431</u>	<u>24,389</u>	<u>441,267</u>	<u>47,479</u>
<b>9. FINANCE COSTS</b>				
Interest / mark-up on long term loans	1,223,630	762,726	2,439,631	1,502,890
Mark-up on long term lease liabilities	4,215	7,420	10,547	16,671
Mark-up on short term borrowings	808,089	461,050	1,612,822	903,127
Amortisation of transaction costs	17,382	28,867	36,666	49,965
Other finance costs	194,944	108,948	308,070	202,792
	<u>2,248,260</u>	<u>1,369,011</u>	<u>4,407,736</u>	<u>2,675,445</u>

	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets		7,439,638	8,313,972
Capital work-in-progress (CWIP)		189	-
	10.1	<u>7,439,827</u>	<u>8,313,972</u>

10.1 Additions to property, plant and equipment during the period were Rs. 61 million (Dec 2021: Rs. 5.4 million) and disposals therefrom at net book value were Rs. 0.07 million (Dec 2021: Rs. 66.7 million).

	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>11. LONG TERM INVESTMENTS</b>			
<b>Investment in subsidiaries - unquoted</b>			
Laraib Energy Limited (LEL)		4,674,189	4,674,189
Hub Power Services Limited (HPSL)		100	100
Hub Power Holdings Limited (HPhL)	11.1 to 11.3	38,995,534	38,995,534
Narowal Energy Limited (NEL)		3,921,883	3,921,883
Thar Energy Limited (TEL)	11.4	<u>11,738,312</u>	<u>9,657,465</u>
		59,330,018	57,249,171
<b>Others - unquoted</b>			
Equity investment at fair value through other comprehensive income - Sindh Engro Coal Mining Company Limited (SECMC)	11.5	<u>2,869,944</u>	<u>3,070,833</u>
		<u>62,199,962</u>	<u>60,320,004</u>



### 11.1 Hub Power Holdings Limited (HPHL)

#### Sponsors' support for CPHGC

Pursuant to Sponsor Support Agreement entered into with the lenders of CPHGC, the Company is committed to arrange for working capital financing through HPHL amounting to USD 90.25 million in case CPHGC fails to arrange for working capital facility for its operations. This commitment is valid till the full repayment of project loans of CPHGC.

Pursuant to the Completion Guarantee Agreement dated October 24, 2017 between the Company, China Power Holding Limited, HPHL, China Power International (Pakistan) Investment limited, CPHGC and CPHGC's lenders, the Company is required to provide a Standby Letter of Credit (SBLC) for an aggregate amount of USD 150 million to guarantee an investment in the form of equity or subordinated debt (either directly or through HPHL) to satisfy the funding shortfall, if any, in CPHGC; (a) to achieve completion of the Project to the satisfaction of the lenders; and (b) repay all principal, interest, fees or any other amounts that may fall due by CPHGC under the finance documents to the finance parties. The Company issued this SBLC by entering into an agreement with local banks by providing security against all present and future assets of the Company other than current assets. If the SBLC is not renewed 15 days prior to its expiry, CPHGC has the right to call upon the SBLC.

The SBLC expired on November 23, 2022 and CPHGC issued an encashment notice on the same date to the issuing bank. The Company instituted legal proceedings before the High Court of Sindh on November 24, 2022 against encashment of the SBLC. On December 22, 2022, the SBLC was extended on mutually agreed terms until February 23, 2023 and CPHGC's encashment notice was withdrawn. Subsequent to the period end, CPHGC's coal-fired power plant has been declared "Project Complete" by CPHGC's lenders on February 23, 2023. The declaration of Project Completion Date (PCD) releases the Company from its obligation to maintain a USD 150 million SBLC.

### 11.2 ThalNova Power Thar (Private) Limited (TNPTL)

Subsequent to the period end, TNPTL achieved its Commercial Operations Date (COD) on February 17, 2023.

### 11.3 Prime International Oil & Gas Company Limited (Prime)

During the period, Prime received the approval from Directorate General Petroleum Concession (DGPC) on the ENI acquisition on November 14, 2022. After the approval of DGPC, Prime and ENI started to complete the remaining formalities under the Sale and Purchase Agreements (SPAs) and the transaction was finally completed entirety on December 29, 2022 when the change of control of upstream entities was transferred from ENI to Prime.

### 11.4 Thar Energy Limited (TEL)

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

### 11.5 Sindh Engro Coal Mining Company Limited (SECMC)

During the period, SECMC achieved its Commercial Operations Date (COD) for Phase-II of the mine on October 1, 2022 increasing the total capacity from 3.8 MPTA to 7.6 MPTA.

	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>12. TRADE DEBTS</b>			
Considered good - secured			
Capacity Purchase Price (CPP)		15,960,035	19,954,040
Energy Purchase Price (EPP)		15,549,322	20,245,797
Late Payment Interest (LPI)	12.1	18,314,746	21,679,494
Startup Charges (SC)		194,882	294,168
Part Load Adjustment Charges (PLAC)		608,929	745,767
	12.2	<u>50,627,914</u>	<u>62,919,266</u>

12.1 This includes Rs. 2,022 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. 45,491 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.



	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>13. PREPAYMENTS AND OTHER RECEIVABLES</b>		
Prepayments	106,748	65,563
Other receivables		
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	7,993,870	7,744,056
Staff gratuity	-	9,872
Receivable from LEL	11,911	876,687
Receivable from HPHL	85,966	30,472
Receivable from TEL	56,089	36,946
Receivable from TEL against services agreement	2,246,701	1,676,460
Receivable from TNPTL	22,364	8,679
Receivable from TNPTL against services agreement	2,546,033	3,553,948
Hub Power Services Limited - Pension Fund	-	512
Workers' profit participation fund recoverable from CPPA(G)	3,659,231	3,278,255
Miscellaneous	5,765	19,050
	<u>17,000,399</u>	<u>17,607,406</u>
	<u>17,107,147</u>	<u>17,672,969</u>

**14. SHORT TERM INVESTMENT - AT FAIR VALUE**

This represents investment in collective investment schemes recognised at fair value through profit and loss.

**15. TRADE AND OTHER PAYABLES**

This includes Rs. 25,379 million (June 2022: Rs. 22,742 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 22,799 million (June 2022: Rs. 19,419 million).

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.

**16. 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 except disclosed below.

16.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 547 million (June 2022: Rs. 402 million).

16.2 In October 2022 Federal Board of Revenue ("FBR") issued an order amounting to Rs. 287 million ("Order") relating to fiscal year ended June 2021 against the consolidated tax return filed by the Company along with its subsidiaries namely Hub Power Services Limited ("HPSL") and Hub Power Holding Limited ("HPHL") in accordance with the tax law. FBR is of the view that expense on account of financing cost, Workers Profits Participation Fund, Income from management services and General & Administration Cost of Services were not admissible under the tax law and rules made thereon, and recovery notice of Rs. 992 million ("Recovery Notice") was issued. While issuing the Order the FBR accepted that the Company is entitled to adjust refund of Rs. 705 million; however, this adjustment has not been made in the aforementioned Recovery Notice. The Company has applied to FBR for rectification of this mistake apparent from record.

The Company filed an appeal thereagainst with the Commissioner of Inland Revenue Appeals ("CIR-A") which is pending adjudication. Company's maximum exposure as at December 31, 2022 including the principal amount, penalty and default surcharge is approximately Rs. 971 million. The management and their tax advisor are 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 resolution of this matter, no provision has been made in these condensed interim unconsolidated financial statements.



## 17. RELATED PARTY TRANSACTIONS AND BALANCES

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

17.1 Details of transactions	Note	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
<b>Subsidiaries</b>			
<b>Laraib Energy Limited</b>			
Reimbursable expenses incurred on behalf of subsidiary		41,160	90,233
Receipts against reimbursement of expenses from subsidiary		36,690	89,035
Dividend received		869,246	678,012
<b>Hub Power Holdings Limited</b>			
Reimbursable expenses incurred on behalf of subsidiary		4,661	406,033
Receipts against reimbursement of expenses from subsidiary		-	93,478
Interest income on loan to subsidiary	17.1.1	137,881	-
Receipts against interest on loan to subsidiary		87,048	-
<b>Hub Power Services Limited</b>			
Reimbursable expenses incurred on behalf of subsidiary		13,879	15,906
Receipts against reimbursement of expenses from subsidiary		-	5,374
Reimbursable expenses incurred by subsidiary		14,838	15,756
Payments against reimbursement of expenses to subsidiary		-	6,044
Amount paid for O&M services rendered		57,673	67,705
Dividend received		215,000	200,000
Interest expense on loan from subsidiary	17.1.2	12,663	11,426
Payments against interest on loan from subsidiary		17,682	6,013
<b>Narowal Energy Limited</b>			
Reimbursable expenses incurred on behalf of subsidiary		32,381	19,198
Interest income on loan to subsidiary	17.1.3	-	8,986
Interest expense on loan from subsidiary	17.1.4	322,892	-
Receipts against interest on loan to subsidiary		-	1,831
Payment against interest on loan from subsidiary		379,804	-
Dividend received		7,843,567	-
<b>Thar Energy Limited</b>			
Investment in subsidiary		2,080,848	251,981



	Note	6 months ended Dec 2022 (Rs.'000s)	6 months ended Dec 2021 (Rs.'000)
Reimbursable expenses incurred on behalf of subsidiary		304,308	14,964
Receipts against reimbursement of expenses from subsidiary		191,235	55,073
Services rendered to subsidiary		476,311	852,170
Receipts against services rendered to subsidiary		-	4,091,569
<b>Associates</b>			
<b>ThalNova Power Thar (Private) Limited</b>			
Services rendered to associate		708,788	1,698,157
Reimbursable expenses incurred on behalf of associate		357,158	203,204
Receipts against services rendered to associate		1,986,012	475,256
Receipts against reimbursement of expenses from associate		74,164	190,981
<b>Other related parties</b>			
Remuneration to key management personnel			
Salaries, benefits and other allowances		65,207	53,527
Retirement benefits		3,562	2,077
	17.1.5 & 17.1.6	68,769	55,604
Directors' fee	17.1.7	3,600	3,250
Contribution to staff retirement benefit plans of the Company		10,051	7,564
Contribution to staff retirement benefit plan of HPSL		13,238	9,049
Contribution to staff retirement benefit plan of TEL		730	511
Contribution to staff retirement benefit plan of LEL		421	273
17.1.1	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. Loan facility is payable at demand after 12 months at the Company's discretion. The maximum aggregate amount outstanding at any time during the period was Rs. 2,752 million (Dec 2021: Rs. Nil).		
17.1.2	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 (Dec 2021: 411 million).		
17.1.3	The Company has provided NEL an unsecured short term loan facility for an amount of up to Rs. 3,000 million, to meet NEL's 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 (Dec 2021: Rs. 2,488 million).		
17.1.4	The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 20,000 million from NEL, to meet the Company's 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 period was Rs. 9,110 million (Dec 2021: Rs. Nil).		
17.1.5	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.		
17.1.6	The above figures do not include cost allocated to subsidiary companies amounting to Rs. 16 million (Dec 2021: Rs. 11 million).		
17.1.7	This represents fee paid to Board of Directors for attending meetings.		
17.1.8	The transactions with related parties are made under mutually agreed terms and conditions.		



17.2	Details of outstanding balances	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
	<b>Subsidiaries</b>			
	<b>Hub Power Holdings Limited</b>			
	Loan to subsidiary	17.1.1	<u>2,752,469</u>	<u>1,488,819</u>
	<b>Hub Power Services Limited</b>			
	Payable to subsidiary		<u>4,151</u>	<u>13,497</u>
	Loan from subsidiary	17.1.2	<u>772</u>	<u>283,053</u>
	Accrued interest		<u>2,701</u>	<u>-</u>
	<b>Narowal Energy Limited</b>			
	Loan from subsidiary	17.1.3	<u>2,466,255</u>	<u>6,339,258</u>
	Payable to subsidiary		<u>39,048</u>	<u>128,341</u>
	<b>Other related parties</b>			
	Payable to Hub Power Services Limited - Pension Fund		<u>1,111</u>	<u>-</u>
	Payable to the Hub Power Company Limited - Gratuity Fund		<u>355</u>	<u>-</u>
			<b>Dec 2022 (Rs.'000s)</b>	<b>Jun 2022 (Rs.'000s)</b>
			<b>(Unaudited)</b>	<b>(Audited)</b>
			<b>Dec 2021 (Rs.'000)</b>	<b>Dec 2021 (Rs.'000)</b>
			<b>(Unaudited)</b>	<b>(Audited)</b>
<b>18.</b>	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash and bank balances		9,866,058	357,952
	Short term borrowings		<u>(28,023,494)</u>	<u>(22,917,903)</u>
			<u>(18,157,436)</u>	<u>(22,559,951)</u>
<b>19.</b>	<b>FINANCIAL RISK MANAGEMENT</b>			
	<b>Financial risk factors</b>			
	The Company's activities expose it to variety of financial risks namely market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.			
	There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim unconsolidated financial statements do not include all the financial risk management information and disclosures required in the annual audited financial statements.			
	<b>Fair value estimation</b>			
	The carrying value of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values.			



### Fair value hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
<b>December 31, 2022</b>				
<b>Assets</b>				
<b>Investment in Collective Investment Scheme</b>				
- At fair value through profit or loss	-	347,126	-	347,126
<b>Investment in SECMC</b>				
- At fair value through other comprehensive income	-	-	2,869,944	2,869,944
	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
<b>June 30, 2022</b>				
<b>Assets</b>				
<b>Investment in Collective Investment Scheme</b>				
- At fair value through profit or loss	-	-	-	-
<b>Investment in SECMC</b>				
- At fair value through other comprehensive income	-	-	3,070,833	3,070,833
	<b>3 months ended Dec 2022</b>	<b>3 months ended Dec 2021</b>	<b>6 months ended Dec 2022</b>	<b>6 months ended Dec 2021</b>

## 20. PLANT CAPACITY AND PRODUCTION

### HUB PLANT

Theoretical Maximum Output (GWh)	2,650	2,650	5,299	5,299
Total Output (GWh)	-	240	203	766
Load Factor (%)	-	9.06%	3.84%	14.46%

Practical maximum output for the power plant taking into account all the scheduled outages is 4,882 GWh (Dec 2021: 4,853 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.



**21. SUBSEQUENT EVENT**

The Board of Directors of the company declared an interim cash dividend for the year ending June 30, 2023 at Rs. 5.75 per share, amounting to Rs. 7,458.638 million, at their meeting held on February 27, 2023. 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. DATE OF AUTHORISATION**

These condensed interim unconsolidated financial statements were authorised for issue on February 27, 2023 in accordance with the resolution of the Board of Directors.

**23. GENERAL**

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



**M. Habibullah Khan**  
Chairman



**Kamran Kamal**  
Chief Executive



**Muhammad Saqib**  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	3 months ended Dec 2022 (Rs. '000s)	3 months ended Dec 2021 (Rs. '000s)	6 months ended Dec 2022 (Rs. '000s)	6 months ended Dec 2021 (Rs. '000s)
Turnover	5	25,097,172	19,927,519	54,687,004	46,267,242
Operating costs	6	(12,234,253)	(11,918,143)	(32,102,356)	(30,459,550)
<b>GROSS PROFIT</b>		<u>12,862,919</u>	<u>8,009,376</u>	<u>22,584,648</u>	<u>15,807,692</u>
General and administration expenses		(351,159)	(233,080)	(632,834)	(457,115)
Other income		494,995	264,401	907,279	481,243
Workers' profit participation fund	7	(410,431)	(24,389)	(441,267)	(47,479)
<b>PROFIT FROM OPERATIONS</b>		<u>12,596,324</u>	<u>8,016,308</u>	<u>22,417,826</u>	<u>15,784,341</u>
Finance costs	8	(4,787,674)	(1,737,511)	(7,123,591)	(3,397,248)
Share of profit from associates and joint venture - net	9	9,986,254	(1,461,909)	13,077,431	830,741
<b>PROFIT BEFORE TAXATION</b>		<u>17,794,904</u>	<u>4,816,888</u>	<u>28,371,666</u>	<u>13,217,834</u>
Taxation		(3,114,507)	203,575	(4,217,640)	(501,865)
<b>PROFIT FOR THE PERIOD</b>		<u>14,680,397</u>	<u>5,020,463</u>	<u>24,154,026</u>	<u>12,715,969</u>
Attributable to:					
- Owners of the holding company		13,298,695	4,795,607	22,397,502	12,212,116
- Non-controlling interest		1,381,702	224,856	1,756,524	503,853
		<u>14,680,397</u>	<u>5,020,463</u>	<u>24,154,026</u>	<u>12,715,969</u>
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		<u>10.25</u>	<u>3.70</u>	<u>17.27</u>	<u>9.41</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

Muhammad Saqib  
Chief Financial Officer





**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	3 months ended Dec 2022 (Rs. '000s)	3 months ended Dec 2021 (Rs. '000s)	6 months ended Dec 2022 (Rs. '000s)	6 months ended Dec 2021 (Rs. '000s)
Profit for the period	14,680,397	5,020,463	24,154,026	12,715,969
<b>Other comprehensive income / (loss) for the period</b>				
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>				
Loss on remeasurement of post employment benefits obligation of associate - net of tax	(109)	(808)	(109)	(808)
(Loss) / gain on revaluation of equity investment at fair value through other comprehensive income	124,947	23,304	(200,889)	157,933
	124,838	22,496	(200,998)	157,125
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>14,805,235</b>	<b>5,042,959</b>	<b>23,953,028</b>	<b>12,873,094</b>
Attributable to:				
- Owners of the holding company	13,423,533	4,818,103	22,196,504	12,369,241
- Non-controlling interest	1,381,702	224,856	1,756,524	503,853
	<b>14,805,235</b>	<b>5,042,959</b>	<b>23,953,028</b>	<b>12,873,094</b>

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

Muhammad Saqib  
Chief Financial Officer



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

	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Property, plant and equipment	10	125,993,087	108,670,143
Intangibles		1,517,511	1,418,156
Long term investments	11	94,112,025	80,247,699
Long term deposits and prepayments		20,144	21,421
		221,642,767	190,357,419
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		2,017,872	1,943,242
Stock-in-trade		4,231,060	4,813,726
Trade debts	12	87,910,912	84,749,156
Loans and advances		680,742	235,528
Prepayments and other receivables	13	18,880,718	19,060,398
Short term investment - at fair value	14	1,597,580	6,465,204
Cash and bank balances		19,773,785	7,527,907
		135,092,669	124,795,161
<b>TOTAL ASSETS</b>		356,735,436	315,152,580
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVE</b>			
<b>Share Capital</b>			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
<b>Capital Reserve</b>			
Share premium		5,600,000	5,600,000
<b>Revenue Reserve</b>			
Unappropriated profit		98,247,589	96,162,151
Attributable to owners of the holding company		116,819,133	114,733,695
<b>NON-CONTROLLING INTEREST</b>		13,868,141	10,768,499
		130,687,274	125,502,194
<b>NON-CURRENT LIABILITIES</b>			
Long term loans		92,818,660	91,575,169
Long term lease liabilities		1,238,036	1,466,049
Deferred taxation		14,639,745	10,849,008
		108,696,441	103,890,226
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	60,181,312	43,971,090
Unclaimed dividend		215,333	223,090
Unpaid dividend		138,299	405,346
Interest / mark-up accrued		4,761,049	3,107,238
Short term borrowings		33,813,827	24,172,516
Current maturity of long term loans		17,499,867	13,206,073
Current maturity of long term lease liabilities		742,034	674,807
		117,351,721	85,760,160
<b>TOTAL EQUITY AND LIABILITIES</b>		356,735,436	315,152,580
<b>COMMITMENTS AND CONTINGENCIES</b>			

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

Muhammad Saqib  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	<b>Note</b>	<b>6 months ended Dec 2022 (Rs. '000s)</b>	<b>6 months ended Dec 2021 (Rs. '000s)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		28,371,666	13,217,834
Adjustments for:			
Depreciation		3,079,839	2,324,108
Amortisation		10,392	5,525
Gain on disposal of fixed assets		(13,412)	(51,974)
Provision against slow moving stores, spares and consumables		168,466	177,052
Share of profit from associates - net		(13,077,431)	(830,741)
Staff gratuity		40,330	24,961
Interest income		(95,179)	(124,249)
Mark-up on lease liabilities		77,563	65,499
Interest / mark-up expense		6,467,327	3,084,447
Unrealized profit on management services to associate - TNPTL		211,456	137,600
Amortisation of transaction costs		207,453	65,117
Operating profit before working capital changes		25,448,470	18,095,179
Working capital changes		10,920,004	8,797,683
Cash generated from operations		36,368,474	26,892,862
Interest income received		93,978	124,462
Interest / mark-up paid		(4,813,516)	(2,910,258)
Staff gratuity paid		(8,490)	(52,910)
Taxes paid		(431,043)	(199,800)
Net cash generated from operating activities		31,209,403	23,854,356
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(12,999,561)	(36,754,052)
Proceeds from disposal of fixed assets		13,479	41,353
Short term investments redeemed		6,465,204	-
Short term investment made		(1,597,580)	(11,250,265)
Long term investments made		(771,628)	(278,587)
Long term deposits and prepayments		1,277	13,558
Net cash used in investing activities		(8,888,809)	(48,227,993)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid to owners of the holding company		(20,090,188)	(6,437,881)
Dividends paid to non controlling interest		(290,508)	(226,604)
Proceeds from long term loans - net		6,430,631	38,199,790
Repayment of long term loans		(6,769,054)	(2,424,336)
Proceeds from advance received against issue of shares to non-controlling interests		1,346,566	-
Repayment of long term lease liabilities		(334,854)	(271,081)
Share issue cost		(8,621)	-
Net cash (used in) / generated from financing activities		(19,716,027)	28,839,888
Net increase in cash and cash equivalents		2,604,567	4,466,251
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	(14,040,042)	(23,085,686)

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

Muhammad Saqib  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	6 months ended Dec 2022 (Rs. '000s)	6 months ended Dec 2021 (Rs. '000s)
<b>ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY</b>		
<b>ISSUED CAPITAL</b>		
Balance at the beginning and end of the period	12,971,544	12,971,544
<b>SHARE PREMIUM</b>		
Balance at the beginning and end of the period	5,600,000	5,600,000
<b>UNAPPROPRIATED PROFIT</b>		
Balance at the beginning of the period	96,162,151	82,255,366
Profit for the period	22,397,502	12,212,116
Other comprehensive income / (loss) for the period	(200,998)	157,125
<b>Total comprehensive income for the period</b>	<b>22,196,504</b>	<b>12,369,241</b>
Share issue cost	(5,173)	-
<b>Transactions with owners in their capacity as owners</b>		
Final dividend for the fiscal year 2021-22 @ Rs. Nil (2020-21 @ Rs. 5.00) per share		(6,485,772)
Interim dividend for the fiscal year 2022-23 @ Rs. 15.50 (2021-22 @ Rs. Nil) per share	(20,105,893)	-
	(20,105,893)	(6,485,772)
Balance at the end of the period	98,247,589	88,138,835
Attributable to owners of the holding company	116,819,133	106,710,379
<b>NON-CONTROLLING INTEREST</b>		
Balance at the beginning of the period	10,768,499	8,839,259
Total comprehensive income for the period	1,756,524	503,853
Investment made	1,346,566	-
Share issue cost	(3,448)	-
Balance at the end of the period	13,868,141	9,343,112
<b>TOTAL EQUITY</b>	<b>130,687,274</b>	<b>116,053,491</b>

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

Muhammad Saqib  
Chief Financial Officer



**THE HUB POWER COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**1. STATUS AND NATURE OF BUSINESS**

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

The Group consists of the holding company and following subsidiaries / associates 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
- ThalNova Power Thar (Private) Limited (TNPTL) - Holding 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.

**Thar Energy Limited (TEL)**

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

Under the amended Power Purchase Agreement (PPA), TEL's Required Commercial Operations Date (RCOD) was March 31, 2021. Considering the delay in COD, TEL requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company Limited (SECMC). CPPA(G) granted an extension of 237 days in the RCOD of TEL till November 23, 2021, subject to payment of undisputed High Voltage Direct Current (HVDC) charges upto USD 1.9 million per month, if charged to CPPA(G) by National Transmission and Despatch Company Limited (NTDC), from the COD of HVDC line under certain conditions. During 2022, CPPA(G) has raised invoices for payment of HVDC charges, however, TEL has challenged the determination of the invoices and has sought clarifications from CPPA(G), including provision of evidence of achievement of COD of the HVDC line. Till such time the required information is not furnished to the satisfaction of TEL, there is no obligation on TEL to make payment and therefore there is currently no exposure on TEL in this respect.

As mentioned in the PPA, any delay in the achievement of COD beyond RCOD would also result in liquidated damages amounting to USD 0.75 million per month. During 2022, CPPA(G) has raised an invoice for said liquidated damages for the period November 23, 2021 to September 30, 2022 amounting to USD 7.7 million (Rs. 1,765.45 million). Accordingly, TEL has recorded payable for the said amount.

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

**2. BASIS OF PREPARATION**

These condensed interim consolidated financial statements of the holding company for the half year ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

These condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the holding company's annual consolidated financial statements for the year ended June 30, 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.

During the period, upon application filed by the holding company, on September 15, 2022 SECP further extended the exemption of application of Expected Credit Loss (ECL) model under IFRS – 9 "Financial Instruments" in respect of financial assets due from Government of Pakistan up to June 30, 2023. Moreover, the SECP through S.R.O. 67 (I)/2023 dated January 20, 2023, further extended the exemption on application of ECL model under IFRS – 9 "Financial Instruments" in respect of financial assets due from Government of Pakistan for the financial year ending on or before December 31, 2024. Accordingly, the holding company has applied the requirements of IAS – 39 in these condensed interim consolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

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

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

Note	3 months ended		6 months ended	
	Dec 2022 (Rs. '000s)	Dec 2021 (Rs. '000s)	Dec 2022 (Rs. '000s)	Dec 2021 (Rs. '000s)
<b>5. TURNOVER</b>				
Capacity Purchase Price (CPP)	15,248,534	8,829,430	25,811,385	17,422,647
Energy Purchase Price (EPP)	9,099,338	10,558,637	27,865,489	28,195,350
Late Payment Interest (LPI)	2,237,595	1,863,589	4,441,434	3,654,576
Startup Charges (SC)	-	56,978	138,835	255,045
Part Load Adjustment Charges (PLAC)	-	141,724	454,481	809,659
	<u>26,585,467</u>	<u>21,450,358</u>	<u>58,711,624</u>	<u>50,337,277</u>
Less: Sales tax on EPP	(1,488,295)	(1,522,839)	(4,024,620)	(4,070,035)
	<u>25,097,172</u>	<u>19,927,519</u>	<u>54,687,004</u>	<u>46,267,242</u>
<b>6. OPERATING COSTS</b>				
Fuel cost	7,355,509	9,032,278	23,683,833	24,481,236
Late Payment Interest to fuel suppliers	825,791	555,505	1,462,013	996,700
Water use charges	65,044	44,387	128,618	85,767
Salaries, benefits and other allowances	292,985	138,667	521,786	446,321
Stores and spares	193,823	279,522	441,851	672,711
Insurance	680,509	372,143	1,237,230	725,989
Depreciation	1,786,997	1,115,317	3,041,317	2,275,217
Amortisation	9,255	1,897	9,416	4,578
Repairs, maintenance and other costs	1,024,340	378,427	1,576,292	771,031
	<u>12,234,253</u>	<u>11,918,143</u>	<u>32,102,356</u>	<u>30,459,550</u>

	3 months ended Dec 2022 (Rs. '000s)	3 months ended Dec 2021 (Rs. '000s)	6 months ended Dec 2022 (Rs. '000s)	6 months ended Dec 2021 (Rs. '000s)
<b>7. WORKERS' PROFIT PARTICIPATION FUND</b>				
Provision for workers' profit participation fund	743,897	284,696	1,064,287	557,265
Workers' profit participation fund recoverable from CPPA(G)	(333,466)	(260,307)	(623,020)	(509,786)
	<u>410,431</u>	<u>24,389</u>	<u>441,267</u>	<u>47,479</u>
<b>8. FINANCE COSTS</b>				
Interest / mark-up on long term loans	3,518,917	985,113	5,010,885	1,947,608
Mark-up on short term borrowings	796,185	585,107	1,456,442	1,136,839
Mark-up on long term lease liabilities	38,712	33,163	77,563	65,499
Amortisation of transaction costs	183,229	36,502	207,453	65,117
Other finance costs	250,631	97,626	371,248	182,185
	<u>4,787,674</u>	<u>1,737,511</u>	<u>7,123,591</u>	<u>3,397,248</u>
<b>9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET</b>				
<b>Associates</b>				
China Power Hub Generation Company (Pvt) Limited				
- representing 47.5% (Dec 2019: 47.5%) equity shares	10,586,966	(1,503,116)	13,546,095	864,110
- obligation in respect of profit on shares related to GoB	(334,325)	47,466	(427,771)	(27,288)
	<u>10,252,641</u>	<u>(1,455,650)</u>	<u>13,118,324</u>	<u>836,822</u>
ThalNova Power Thar (Private) Limited	(6,473)	(5,710)	32,543	(7,118)
	<u>10,246,168</u>	<u>(1,461,360)</u>	<u>13,150,867</u>	<u>829,704</u>
<b>Joint Ventures</b>				
- Prime International Oil & Gas Company Limited	-	(549)	-	1,037
- China Power Hub Operating Company (Pvt) Limited	(259,914)	-	(73,436)	-
	<u>9,986,254</u>	<u>(1,461,909)</u>	<u>13,077,431</u>	<u>830,741</u>
			<b>Dec 2022 (Rs. '000s) (Unaudited)</b>	<b>Jun 2022 (Rs. '000s) (Audited)</b>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>				
Operating property, plant and equipment			125,992,898	37,717,818
Capital work-in-progress				
Holding company			189	-
NEL			-	32,133
TEL			-	70,920,192
			<u>189</u>	<u>70,952,325</u>
			<u>125,993,087</u>	<u>108,670,143</u>

10.1 Additions to property, plant and equipment during the current period were Rs. 598 million which includes Rs. 585 million exchange loss capitalized on foreign currency loans, and disposals therefrom at net book value were Rs. 0.07 million.



	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>11. LONG TERM INVESTMENTS</b>			
<b>Investment in associates - unquoted</b>			
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1	85,232,162	71,686,226
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	5,382,866	4,910,679
		90,615,028	76,596,905
<b>Investment in joint venture (under equity method) - unquoted</b>			
- Prime International Oil and Gas Company Limited	11.3	587,855	467,327
- China Power Hub Operating Company (Private) Limited (CPHO)	11.4	39,198	112,634
<b>Others - unquoted</b>			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)	11.5	2,869,944	3,070,833
		94,112,025	80,247,699
<b>11.1 China Power Hub Generation Company (Private) Limited (CPHGC)</b>			
Opening investment		71,686,226	62,257,314
Share of profit from associate		13,546,095	9,430,025
Share of other comprehensive (loss) / income from associate		(159)	(1,113)
		85,232,162	71,686,226

On July 14, 2021, the CPHGC's power plants tripped. Based on the initial assessments of CPHGC, this happened due to unusual weather conditions, which caused damages to the CPHGC's equipment including transformer of unit one of the power plant, which was destroyed beyond repair and its recoverable amount has been determined to be Nil. Accordingly, CPHGC had recorded an impairment loss equal to its net book value of Rs. 1,989.69 million. The replacement amount and loss of business profit due to business interruption were covered under the CPHGC's insurance policy. The insurer has principally agreed to the settlement of the aforementioned claim of USD 65 million (Rs. 13,831.27 million) through the insurance compensation agreement and has disbursed an advance amount of USD 4 million (Rs. 790.48 million) and USD 23 million (Rs. 4,545.29 million) in lieu of transformer replacement and loss of revenue due to business interruption respectively and the remainder amount has been recorded as receivable from insurer under the said agreement.

#### Sponsors' support for CPHGC

Pursuant to Sponsor Support Agreement entered into with the lenders of CPHGC, the holding company is committed to arrange for working capital financing through HPHL amounting to USD 90.25 million in case CPHGC fails to arrange for working capital facility for its operations. This commitment is valid till the full repayment of project loans of CPHGC.

Pursuant to the Completion Guarantee Agreement dated October 24, 2017 between the holding company, China Power Holding Limited, HPHL, China Power International (Pakistan) Investment limited, CPHGC and CPHGC's lenders, the holding company is required to provide a Standby Letter of Credit (SBLC) for an aggregate amount of USD 150 million to guarantee an investment in the form of equity or subordinated debt (either directly or through HPHL) to satisfy the funding shortfall, if any, in CPHGC; (a) to achieve completion of the Project to the satisfaction of the lenders; and (b) repay all principal, interest, fees or any other amounts that may fall due by CPHGC under the finance documents to the finance parties. The holding company issued this SBLC by entering into an agreement with local banks by providing security against all present and future assets of the holding company other than current assets. If the SBLC is not renewed 15 days prior to its expiry, CPHGC has the right to call upon the SBLC.

The SBLC expired on November 23, 2022 and CPHGC issued an encashment notice on the same date to the issuing bank. The holding company instituted legal proceedings before the High Court of Sindh on November 24, 2022 against encashment of the SBLC. On December 22, 2022, the SBLC was extended on mutually agreed terms until February 23, 2023 and CPHGC's encashment notice was withdrawn. Subsequent to the period end, CPHGC's coal fired power plant has been declared "Project Complete" by CPHGC lenders on February 23, 2023. The declaration of Project Completion Date (PCD) releases the holding company from its obligation to maintain a USD 150 million SBLC.



Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
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**11.2 ThalNova Power Thar (Private) Limited (TNPTL)**

Opening investment	4,910,679	4,946,648
Investment during the period / year	651,100	861,075
Share of profit / (loss) from associate	32,543	(5,028)
Unrealized profit on management services	(211,456)	(882,434)
Group's share in share issue cost	-	(9,582)
	5,382,866	4,910,679

Subsequent to the period end, TNPTL achieved its Commercial Operations Date (COD) on February 17, 2023.

Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
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**11.3 Prime International Oil and Gas Company Limited (Prime)**

Opening investment	467,327	267,507
Investment during the period / year	120,528	198,733
Share of profit from joint venture	-	1,087
	587,855	467,327

During the period, Prime received the approval from Directorate General Petroleum Concession (DGPC) on the ENI acquisition on November 14, 2022. After the approval of DGPC, Prime and ENI started to complete the remaining formalities under the Sale and Purchase Agreements (SPAs) and the transaction was finally completed entirety on December 29, 2022 when the change of control of upstream entities was transferred from ENI to Prime.

Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
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**11.4 China Power Hub Operating Company (Private) Limited (CPHO)**

Opening investment	112,634	-
Investment during the period / year	-	8,441
Share of (loss) / profit from joint venture	(73,436)	104,193
	39,198	112,634

**11.5 Sindh Engro Coal Mining Company Limited (SECMC)**

During the period, SECMC achieved its Commercial Operations Date (COD) for Phase-II of the mine on October 1, 2022 increasing the total capacity from 3.8 MPTA to 7.6 MPTA.

Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
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**12. TRADE DEBTS - secured**

Considered good - Secured

Capacity Purchase Price (CPP)		29,152,985	26,550,445
Energy Purchase Price (EPP)		36,245,536	32,315,375
Late Payment Interest (LPI)	12.1	21,705,150	24,502,080
Startup Charges (SC)		194,882	294,168
Part Load Adjustment Charges (PLAC)		608,929	745,767
Pass through items (WPPF and taxes)		3,430	341,321
	12.2	87,910,912	84,749,156



- 12.1 This includes Rs. 3,266 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. 68,551 million (June 2022: Rs. 58,770 million) from CPPA(G) and Rs. 5,533 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 the holding company, 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. In case of TEL, delay in payment from CPPA(G) 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.

	Note	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>13. PREPAYMENTS AND OTHER RECEIVABLES</b>			
Prepayments		179,705	98,222
Other receivables			
Interest accrued		11,894	10,693
Income tax - Contractor tax refundable		372,469	372,469
Sales tax		10,238,053	10,026,259
Advance tax		25,114	20,974
Staff gratuity		-	37,583
Staff retirement benefit funds		6,098	512
Receivable from CPHGC		9,496	31,701
Receivable from CPHO		47,735	31,833
Receivable from TNPTL		22,364	16,787
Receivable from TNPTL against services agreement		2,546,033	3,553,948
Workers' profit participation fund recoverable from CPPA(G)	7	5,189,896	4,566,877
Miscellaneous		231,861	292,540
		18,701,013	18,962,176
		<u>18,880,718</u>	<u>19,060,398</u>

#### 14. SHORT TERM INVESTMENT - AT FAIR VALUE

This represents investment in collective investment schemes recognised at fair value through profit and loss.

#### 15. TRADE AND OTHER PAYABLES

This includes Rs. 25,379 million (June 2022: Rs. 22,742 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 22,799 million (June 2022: Rs. 19,419 million).

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

#### 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, except as follows:

- 16.1 In connection with the operations of the holding company:
- 16.1.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 547 million (June 2022: Rs. 402 million).

16.1.2 In October 2022 Federal Board of Revenue ("FBR") issued an order amounting to Rs. 287 million ("Order") relating to fiscal year ended June 2021 against the consolidated tax return filed by the holding company along with its subsidiaries namely Hub Power Services Limited ("HPSL") and Hub Power Holding Limited ("HPHL") in accordance with the tax law. FBR is of the view that expense on account of financing cost, Workers Profits Participation Fund, Income from management services and General & Administration Cost of Services were not admissible under the tax law and rules made thereon, and recovery notice of Rs. 992 million ("Recovery Notice") was issued. While issuing the Order the FBR accepted that the holding company is entitled to adjust refund of Rs. 705 million; however, this adjustment has not been made in the aforementioned Recovery Notice. The holding company has applied to FBR for rectification of this mistake apparent from record.

The holding company filed an appeal thereagainst with the Commissioner of Inland Revenue Appeals ("CIR-A") which is pending adjudication, holding company's maximum exposure as at December 31, 2022 including the principal amount, penalty and default surcharge is approximately Rs. 971 million. The management and their tax advisor are 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 resolution of this matter, no provision has been made in these condensed interim consolidated financial statements.

## 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 four reportable segments; power generation business, which includes the Hub plant, Narowal plant, Laraib plant and Thar plant, operations & maintenance business and investments in CPHGC, TNPTL, SECMC, CPHO and Prime.

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

3 months ended Dec 2022									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
(Rs. '000s)									
Turnover	8,414,774	1,719,559	2,005,754	12,957,085	524,660	-	-	(524,660)	25,097,172
Operating costs	(2,391,476)	(1,147,002)	(455,491)	(8,262,091)	(125,197)	-	-	147,004	(12,234,253)
<b>GROSS PROFIT</b>	<b>6,023,298</b>	<b>572,557</b>	<b>1,550,263</b>	<b>4,694,994</b>	<b>399,463</b>	<b>-</b>	<b>-</b>	<b>(377,656)</b>	<b>12,862,919</b>
General and administration expenses	(226,421)	(24,207)	(26,744)	(86,083)	(14,350)	(12,896)	-	39,542	(351,159)
Other income	346,330	2,348	36,824	113,909	2,743	(66,695)	7,873,857	(7,814,321)	494,995
Other operating expenses	-	-	-	-	-	-	(410,431)	-	(410,431)
<b>PROFIT FROM OPERATIONS</b>	<b>6,143,207</b>	<b>550,698</b>	<b>1,560,343</b>	<b>4,722,820</b>	<b>387,856</b>	<b>(79,591)</b>	<b>7,463,426</b>	<b>(8,152,435)</b>	<b>12,596,324</b>
Finance costs	(466,844)	(33,760)	(150,137)	(2,082,506)	(45)	(2,057,125)	-	2,743	(4,787,674)
Share of profit from associates - net	-	-	-	-	-	9,986,254	-	-	9,986,254
<b>PROFIT BEFORE TAXATION</b>	<b>5,676,363</b>	<b>516,938</b>	<b>1,410,206</b>	<b>2,640,314</b>	<b>387,811</b>	<b>7,849,538</b>	<b>7,463,426</b>	<b>(8,149,692)</b>	<b>17,794,904</b>
Taxation	(6)	(676)	(5,479)	(15,676)	(123,948)	(2,921,695)	(47,027)	-	(3,114,507)
<b>PROFIT FOR THE YEAR</b>	<b>5,676,357</b>	<b>516,262</b>	<b>1,404,727</b>	<b>2,624,638</b>	<b>263,863</b>	<b>4,927,843</b>	<b>7,416,399</b>	<b>(8,149,692)</b>	<b>14,680,397</b>

3 months ended Dec 2021									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
(Rs. '000s)									
Turnover	13,415,054	4,930,519	1,581,757	-	317,045	-	-	(316,856)	19,927,519
Operating costs	(7,680,376)	(3,773,609)	(547,028)	-	(97,173)	-	-	180,043	(11,918,143)
<b>GROSS PROFIT</b>	<b>5,734,678</b>	<b>1,156,910</b>	<b>1,034,729</b>	<b>-</b>	<b>219,872</b>	<b>-</b>	<b>-</b>	<b>(136,813)</b>	<b>8,009,376</b>
General and administration expenses	(145,182)	(19,352)	(40,891)	-	(16,955)	(41,671)	-	30,971	(233,080)
Other income	283,371	306	40,149	-	5,417	64,759	248,209	(377,810)	264,401
Other operating expenses	(11,979)	-	-	-	-	-	(12,410)	-	(24,389)
<b>PROFIT FROM OPERATIONS</b>	<b>5,860,888</b>	<b>1,137,864</b>	<b>1,033,987</b>	<b>-</b>	<b>208,334</b>	<b>23,088</b>	<b>235,799</b>	<b>(483,652)</b>	<b>8,016,308</b>
Finance costs	(275,209)	(195,938)	(136,439)	-	(284)	(1,292,025)	-	162,384	(1,737,511)
Share of profit from associates - net	-	-	-	-	-	(1,461,909)	-	-	(1,461,909)
<b>PROFIT BEFORE TAXATION</b>	<b>5,585,679</b>	<b>941,926</b>	<b>897,548</b>	<b>-</b>	<b>208,050</b>	<b>(2,730,846)</b>	<b>235,799</b>	<b>(321,268)</b>	<b>4,816,888</b>
Taxation	(6)	(81)	(4,021)	-	(59,108)	354,951	(88,160)	-	203,575
<b>PROFIT FOR THE YEAR</b>	<b>5,585,673</b>	<b>941,845</b>	<b>893,527</b>	<b>-</b>	<b>148,942</b>	<b>(2,375,895)</b>	<b>147,639</b>	<b>(321,268)</b>	<b>5,020,463</b>

6 months ended Dec 2022									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
(Rs. '000s)									
Turnover	25,831,474	11,661,834	4,236,611	12,957,085	692,747	-	-	(692,747)	54,687,004
Operating costs	(13,424,785)	(9,295,318)	(1,181,339)	(8,262,091)	(188,229)	-	-	249,406	(32,102,356)
<b>GROSS PROFIT</b>	<b>12,406,689</b>	<b>2,366,516</b>	<b>3,055,272</b>	<b>4,694,994</b>	<b>504,518</b>	<b>-</b>	<b>-</b>	<b>(443,341)</b>	<b>22,584,648</b>
General and administration expenses	(391,045)	(44,609)	(46,711)	(86,083)	(41,090)	(46,384)	-	23,088	(632,834)
Other income	346,332	4,512	118,154	113,909	25,779	-	8,490,578	(8,191,985)	907,279
Other operating expenses	-	-	-	-	-	-	(441,267)	-	(441,267)
<b>PROFIT FROM OPERATIONS</b>	<b>12,361,976</b>	<b>2,326,419</b>	<b>3,126,715</b>	<b>4,722,820</b>	<b>489,207</b>	<b>(46,384)</b>	<b>8,049,311</b>	<b>(8,612,238)</b>	<b>22,417,826</b>
Finance costs	(698,221)	(77,768)	(294,730)	(2,082,506)	(147)	(4,327,900)	-	357,681	(7,123,591)
Share of profit from associates - net	-	-	-	-	-	13,077,431	-	-	13,077,431
<b>PROFIT BEFORE TAXATION</b>	<b>11,663,755</b>	<b>2,248,651</b>	<b>2,831,985</b>	<b>2,640,314</b>	<b>489,060</b>	<b>8,703,147</b>	<b>8,049,311</b>	<b>(8,254,557)</b>	<b>28,371,666</b>
Taxation	(6)	(1,304)	(10,953)	(15,676)	(158,616)	(3,790,715)	(240,370)	-	(4,217,640)
<b>PROFIT FOR THE YEAR</b>	<b>11,663,749</b>	<b>2,247,347</b>	<b>2,821,032</b>	<b>2,624,638</b>	<b>330,444</b>	<b>4,912,432</b>	<b>7,808,941</b>	<b>(8,254,557)</b>	<b>24,154,026</b>

6 months ended Dec 2021									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
(Rs. '000s)									
Turnover	31,470,143	11,407,784	3,389,315	-	437,676	-	-	(437,676)	46,267,242
Operating costs	(20,188,545)	(9,171,334)	(1,139,221)	-	(186,946)	-	-	226,496	(30,459,550)
<b>GROSS PROFIT</b>	<b>11,281,598</b>	<b>2,236,450</b>	<b>2,250,094</b>	<b>-</b>	<b>250,730</b>	<b>-</b>	<b>-</b>	<b>(211,180)</b>	<b>15,807,692</b>
General and administration expenses	(283,845)	(34,715)	(56,136)	-	(32,756)	(80,634)	-	30,971	(457,115)
Other income	283,513	1,982	78,057	-	22,335	121,246	710,005	(735,895)	481,243
Other operating expenses	(11,979)	-	-	-	-	-	(35,500)	-	(47,479)
<b>PROFIT FROM OPERATIONS</b>	<b>11,269,287</b>	<b>2,203,717</b>	<b>2,272,015</b>	<b>-</b>	<b>240,309</b>	<b>40,612</b>	<b>674,505</b>	<b>(916,104)</b>	<b>15,784,341</b>
Finance costs	(585,152)	(374,237)	(263,219)	-	(1,044)	(2,481,970)	-	308,374	(3,397,248)
Share of profit from associates - net	-	-	-	-	-	830,741	-	-	830,741
<b>PROFIT BEFORE TAXATION</b>	<b>10,684,135</b>	<b>1,829,480</b>	<b>2,008,796</b>	<b>-</b>	<b>239,265</b>	<b>(1,610,617)</b>	<b>674,505</b>	<b>(607,730)</b>	<b>13,217,834</b>
Taxation	(6)	(565)	(4,921)	-	(67,795)	(226,393)	(202,185)	-	(501,865)
<b>PROFIT FOR THE YEAR</b>	<b>10,684,129</b>	<b>1,828,915</b>	<b>2,003,875</b>	<b>-</b>	<b>171,470</b>	<b>(1,837,010)</b>	<b>472,320</b>	<b>(607,730)</b>	<b>12,715,969</b>

## 17.2 SEGMENT ASSETS & LIABILITIES

As at Dec 31, 2022									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
(Rs. '000s)									
Assets	90,744,599	37,338,638	27,972,118	114,261,963	694,480	97,844,740	59,454,684	(71,575,786)	356,735,436
Liabilities	65,166,749	10,100,819	7,089,867	92,464,607	425,991	56,929,002	2,014,406	(8,143,279)	226,048,162

As at June 30, 2022									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
(Rs. '000s)									
Assets	92,498,399	46,005,877	26,806,880	-	522,407	161,658,506	58,439,255	(70,778,744)	315,152,580
Liabilities	59,167,224	13,171,838	8,745,661	-	369,362	116,272,810	1,546,565	(9,623,074)	189,650,386

**18. RELATED PARTY TRANSACTIONS AND BALANCES**

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

	Note	6 months ended Dec 2022 (Rs. '000s)	6 months ended Dec 2021 (Rs. '000s)
<b>18.1 Details of Transactions</b>			
<b>Associates</b>			
Services rendered to CPHGC		53,868	44,788
Receipt against services agreement from CPHGC		76,134	76,062
Reimbursable expenses incurred on behalf of TNPTL		463,279	221,375
Receipt against reimbursement of expenses from TNPTL		74,164	-
Services rendered to TNPTL		930,655	1,698,157
Receipt against services agreement from TNPTL		2,161,797	-
Services rendered to CPHO		251,663	-
Receipts against services rendered to CPHO		226,263	-
Payment against reimbursement of expenses to CPHO		31,833	-
<b>Other related parties</b>			
Remuneration to key management personnel			
Salaries, benefits and other allowances		91,466	117,173
Retirement benefits		5,641	3,495
	18.1.1	97,107	120,668
Directors' fee	18.1.2	5,000	4,675
Proceeds from disposals of assets		-	725
Contribution to staff retirement benefit plans		49,713	80,669
Dividend paid to NCI - Coate & Co. Private Limited		276,077	215,297

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.

	Dec 2022 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
<b>18.2 Details of Balances</b>		
<b>Associate</b>		
<b>ThalNova Power Thar (Private) Limited</b>		
Unearned income	110,418	156,501
Payable	74,961	-
<b>Other related parties</b>		
Payable to staff retirement benefit plans	8,354	8,770

**6 months ended 6 months ended**  
**Dec 2022 Dec 2021**  
**(Rs. '000s) (Rs. '000s)**

**19. CASH AND CASH EQUIVALENTS**

Cash and bank balances	19,773,785	7,957,199
Short term borrowings	(33,813,827)	(31,042,885)
	(14,040,042)	(23,085,686)

**20. FINANCIAL RISK MANAGEMENT**

**Financial risk factors**

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

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

**Fair value estimation**

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

**Fair value hierarchy**

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

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

	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
<b>December 2022</b>				
<b>Assets</b>				
<b>(Investment in SECMC)</b>				
- At fair value through other comprehensive income	-	-	2,869,944	2,869,944
	-	-	2,869,944	2,869,944
<b>Short term investment - others</b>				
- At fair value through profit or loss	-	1,597,580	-	1,597,580
	-	1,597,580	-	1,597,580
<b>June 2022</b>				
<b>Assets</b>				
<b>Assets (Investment in SECMC)</b>				
- At fair value through other comprehensive income	-	-	3,070,833	3,070,833
	-	-	3,070,833	3,070,833
<b>Short term investment - others</b>				
- At fair value through profit or loss	-	6,465,204	-	6,465,204
	-	6,465,204	-	6,465,204

**21. PLANT CAPACITY AND PRODUCTION**

	3 months ended Dec 2022	3 months ended Dec 2021	6 months ended Dec 2022	6 months ended Dec 2021
<b><u>HUB PLANT</u></b>				
Theoretical Maximum Output	2,650 GWh	2,650 GWh	5,299 GWh	5,299 GWh
Output produced	-	240 GWh	203 GWh	766 GWh
Load Factor	-	9%	3.84%	14.46%

Practical maximum output for the power plant taking into account all the scheduled outages is 4,882 GWh (Dec 2021: 4,853 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Dec 2022	3 months ended Dec 2021	6 months ended Dec 2022	6 months ended Dec 2021
<b><u>NAROWAL PLANT</u></b>				
Theoretical Maximum Output	472 GWh	472 GWh	944 GWh	944 GWh
Output produced	19 GWh	152 GWh	227 GWh	420 GWh
Load Factor	4%	32%	24%	44%

Practical maximum output for the power plant, taking into account all the scheduled outages is 930 GWh (Dec 2021: 894 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Dec 2022	3 months ended Dec 2021	6 months ended Dec 2022	6 months ended Dec 2021
<b><u>LARAIB PLANT</u></b>				
Theoretical Maximum Output	185 GWh	185 GWh	371 GWh	371 GWh
Total Output	111 GWh	108 GWh	158 GWh	208 GWh
Load Factor	60%	58%	43%	56%

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

	3 months ended Dec 2022	3 months ended Dec 2021	6 months ended Dec 2022	6 months ended Dec 2021
<b><u>THAR PLANT</u></b>				
Theoretical Maximum Output	663 GWh	-	663 GWh	-
Total Output	522 GWh	-	522 GWh	-
Load Factor	79%	-	79%	-

Practical maximum output for the power plant, taking into account all the scheduled outages is 663 GWh (Dec 2021: Nil GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

**22. SUBSEQUENT EVENT**

The Board of Directors of the holding company declared an interim dividend for the fiscal year ending June 30, 2023 of Rs. 5.75 per share, amounting to Rs. 7,458.638 million, at their meeting held on February 27, 2023. 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.



**23. DATE OF AUTHORISATION**

These condensed interim consolidated financial statements were authorised for issue on February 27, 2023 in accordance with the resolution of the Board of Directors.

**24. GENERAL**

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

A handwritten signature in blue ink, appearing to read "Habibullah Khan".

M. Habibullah Khan  
Chairman

A handwritten signature in blue ink, appearing to read "Kamran Kamal".

Kamran Kamal  
Chief Executive

A handwritten signature in blue ink, appearing to read "Muhammad Saqib".

Muhammad Saqib  
Chief Financial Officer





