



The Hub Power Company Limited

Unaudited Financial Statements

for the 3rd Quarter Ended

March 31, 2023

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 Companies

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
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 (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 QUARTER ENDED ON MARCH 31st, 2023

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 March 31st, 2023.

Key Financial Highlights:

- Consolidated net profit during the nine-month period under review was Rs. 33,647 million, resulting in Earnings Per Share of Rs. 25.94 compared to net profit of Rs. 21,453 million and EPS of Rs. 16.54 during the same period last year. The increase in profit is mainly due to higher share of profit from CPHGC, commencement of profits from Thar Energy Limited, ThalNova Power Thar (Private) Limited and Prime International Oil and Gas Company Limited following the start of their commercial operations and completion of acquisition respectively partly offset by impact of higher finance costs due to higher interest rates.
- Unconsolidated net profit during the nine-month period under review was Rs. 21,673 million, resulting in EPS of Rs. 16.71 compared to net profit of Rs. 14,447 million and EPS of Rs. 11.14 during the same period last year. The increase in unconsolidated profit is mainly due to dividend income from Narowal Energy Limited partly offset by impact of higher finance costs due to higher interest rates.

Key Operational Highlights:

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

Technical Parameters	Hub	Narowal	Laraib	CPHGC	TEL	TN
Net Electrical Output (GWh)	205	321	224	1,272	685	191
Load Factor (%)	2.6%	23%	41%	15%	52%	61%

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 contributed 685 GWh to the National Grid with 2.90 million safe man hours.

Similarly, post achieving its commercial operations on February 17, 2023, the lignite-based 330 MW ThalNova Power Thar (Private) Limited (TNPTL) Project in Thar Block II has contributed 191 GWh to the National Grid with 0.21 million safe man hours.

Since achieving COD, these two Thar coal-based power plants have saved foreign exchange of approx. USD 117 million by replacing imported fuel. On a full year basis, these two plants are expected to deliver FX saving of around USD 600 million through replacement of imported fuel.

Post completion of the acquisition of Eni's business in Pakistan, the Company's share of results of the acquired business has been accounted for in the consolidated results for the three-month period ending March 31, 2023.

On February 23, 2023, the lenders of China Power Hub Generation Company (Private) Limited declared the Project Completion (PCD) of its 2x660 MW imported coal-based Project. Following the declaration of PCD, the Company's obligation to maintain USD 150 million SBLC has been released and the Project is allowed to pay dividends subject to availability of distributable profits and compliance with other debt covenants of lenders.

The Company continues to actively pursue the wastewater recycling project. The GoS is expected to shortly initiate the competitive bidding process for the project. The Company already holds the right of First Refusal in respect of the project. The Company also continues to review opportunities in renewable energy in line with its vision for diversification.

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 and more importantly contributing to energy security of Pakistan.

By Order of the Board



Muhammad Kamran Kamal
Chief Executive Officer



M. Habibullah Khan
Chairman

Dated: 27 April, 2023

**THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THIRD QUARTER ENDED MARCH 31, 2023**



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

	Note	3 months ended Mar 2023 (Rs.'000s)	3 months ended Mar 2022 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
Turnover	5	9,238,772	10,365,317	35,070,246	41,835,460
Operating costs	6	(2,810,475)	(4,331,388)	(16,235,260)	(24,519,933)
GROSS PROFIT		6,428,297	6,033,929	18,834,986	17,315,527
General and administration expenses		(248,217)	(114,615)	(639,262)	(398,460)
Other income	7	1,529,506	1,347,365	10,366,416	2,340,883
Workers' profit participation fund	8	(75,102)	(66,856)	(516,369)	(114,335)
PROFIT FROM OPERATIONS		7,634,484	7,199,823	28,045,771	19,143,615
Finance costs	9	(1,585,227)	(1,724,468)	(5,992,963)	(4,399,913)
PROFIT BEFORE TAXATION		6,049,257	5,475,355	22,052,808	14,743,702
Taxation		(139,268)	(94,682)	(379,644)	(296,873)
PROFIT FOR THE PERIOD		5,909,989	5,380,673	21,673,164	14,446,829
Basic and diluted earnings per share (Rupees)		4.56	4.15	16.71	11.14

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

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

	3 months ended Mar 2023 (Rs.'000s)	3 months ended Mar 2022 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
Profit for the period	5,909,989	5,380,673	21,673,164	14,446,829
Other comprehensive income / (loss) 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	(28,687)	59,239	(229,576)	217,172
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>5,881,302</u>	<u>5,439,912</u>	<u>21,443,588</u>	<u>14,664,001</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

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	7,223,142	8,313,972
Intangibles		1,145	2,335
Long term investments	11	62,406,780	60,320,004
Long term loan to subsidiary	16.1.1	2,135,103	1,488,819
Long term deposits and prepayments		13,309	8,509
		71,779,479	70,133,639
CURRENT ASSETS			
Stores, spares and consumables		816,954	1,015,606
Stock-in-trade		2,246,003	1,831,392
Trade debts	12	53,293,107	62,919,266
Loans and advances		70,582	47,151
Prepayments and other receivables	13	17,612,482	17,672,969
Cash and bank balances		648,872	388,464
		74,688,000	83,874,848
TOTAL ASSETS		146,467,479	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		36,795,637	42,916,580
		55,367,181	61,488,124
NON-CURRENT LIABILITIES			
Long term loans		16,002,342	21,785,632
Long term lease liabilities		176,935	188,691
		16,179,277	21,974,323
CURRENT LIABILITIES			
Trade and other payables	14	37,300,499	33,123,182
Unclaimed dividend		212,644	223,090
Unpaid dividend		413,664	114,837
Interest / mark-up accrued		672,107	850,810
Short term borrowings		27,459,426	26,169,940
Current maturity of long term loans		8,847,509	10,051,655
Current maturity of long term lease liabilities		15,172	12,526
		74,921,021	70,546,040
TOTAL EQUITY AND LIABILITIES		146,467,479	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

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

	Note	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		22,052,808	14,743,702
Adjustments for:			
Depreciation		1,404,835	1,422,169
Amortisation		1,189	5,091
Dividend income from subsidiaries		(9,629,820)	(1,571,684)
Gain on disposal of fixed assets		(11,724)	(53,678)
Provision against slow moving stores, spares and consumables		215,877	246,440
Staff gratuity		21,572	21,036
Interest income		(27,319)	(35)
Interest / mark-up expense		5,514,670	3,997,129
Mark-up on lease liabilities		19,457	23,030
Amortisation of transaction costs		52,928	63,275
Operating profit before working capital changes		19,614,473	18,896,475
Working capital changes		12,605,529	(1,200,390)
Cash generated from operations		32,220,002	17,696,085
Interest income received		27,319	194
Interest / mark-up paid		(5,693,373)	(4,007,185)
Staff gratuity paid		(19,500)	(3,000)
Taxes paid		(447,794)	(263,137)
Net cash generated from operating activities		26,086,654	13,422,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries		10,499,066	2,249,696
Fixed capital expenditure		(314,097)	(15,716)
Proceeds from disposal of fixed assets		11,817	41,167
Long term investments made		(2,316,351)	(2,012,068)
Long term loan to subsidiary		(646,284)	-
Long term deposits and prepayments		(4,800)	13,558
Net cash generated from investing activities		7,229,351	276,637
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(27,276,150)	(14,850,644)
Proceeds from long term loans		2,268,301	-
Repayment of long term loans		(9,308,667)	(3,704,395)
Repayment of long term lease liabilities		(28,567)	(33,548)
Net cash used in financing activities		(34,345,083)	(18,588,587)
Net increase in cash and cash equivalents		(1,029,078)	(4,888,993)
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	(26,810,554)	(31,657,570)

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

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)
ISSUED CAPITAL		
Balance at the beginning and end of the period	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM		
Balance at the beginning and 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	21,673,164	14,446,829
Other comprehensive (loss) / income for the period	(229,576)	217,172
Total comprehensive income for the period	21,443,588	14,664,001
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2021-22 @ Rs. Nil (2020-21 @ Rs.5) per share	-	(6,485,772)
First interim dividend for the fiscal year 2022-23 @ Rs. 15.5 (2021-22 @ Rs. 6.5) per share	(20,105,893)	(8,431,504)
Second interim dividend for the fiscal year 2022-23 @ Rs. 5.75 (2021-22 @ Rs. Nil) per share	(7,458,638)	-
	(27,564,531)	(14,917,276)
Balance at the end of the period	<u>36,795,637</u>	<u>36,099,615</u>
TOTAL EQUITY	<u>55,367,181</u>	<u>54,671,159</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

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

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 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 condensed interim unconsolidated financial statements of the Company for the third quarter ended March 31, 2023 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 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 Mar 2023 (Rs.'000s)	3 months ended Mar 2022 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
5. TURNOVER					
Capacity Purchase Price (CPP)		7,471,617	6,555,988	21,178,337	18,921,687
Energy Purchase Price (EPP)		40,313	2,924,415	9,724,131	21,201,198
Late Payment Interest (LPI)		1,614,751	1,090,590	4,844,843	3,497,179
Startup Charges (SC)		-	75,132	136,106	330,177
Part Load Adjustment Charges (PLAC)		118,621	136,231	575,831	945,890
		<u>9,245,302</u>	<u>10,782,356</u>	<u>36,459,248</u>	<u>44,896,131</u>
Less: Sales tax on EPP		(6,530)	(417,039)	(1,389,002)	(3,060,671)
		<u>9,238,772</u>	<u>10,365,317</u>	<u>35,070,246</u>	<u>41,835,460</u>
6. OPERATING COSTS					
Fuel cost		169,565	2,631,603	9,134,012	19,380,973
Late payment interest to fuel supplier		980,597	426,386	2,442,610	1,423,086
Stores and spares		110,327	117,684	390,947	364,779
Operations and maintenance	6.1	27,373	32,000	82,120	95,822
Salaries, benefits and other allowance	6.2	141,763	101,439	430,680	375,208
Insurance		488,232	234,827	1,131,562	705,002
Depreciation		457,021	460,033	1,372,850	1,387,691
Amortisation		161	114	482	4,187
Repairs, maintenance and other costs		435,436	327,302	1,249,997	783,185
		<u>2,810,475</u>	<u>4,331,388</u>	<u>16,235,260</u>	<u>24,519,933</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 Mar 2023 (Rs.'000s)	3 months ended Mar 2022 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
7. OTHER INCOME					
Financial assets					
Interest income		27,303	14	27,319	35
Non-financial assets					
Gain on disposal of fixed assets - net		132	10,446	11,724	53,678
Dividend income from LEL		1,321,253	1,331,684	1,321,253	1,331,684
Dividend income from HPSL		250,000	40,000	465,000	240,000
Dividend income from NEL		-	-	7,843,567	-
(Loss) / Income from management services	7.1	(69,182)	(34,602)	697,553	714,990
Exchange (loss) / gain - net		-	(177)	-	496
		<u>1,502,203</u>	<u>1,347,351</u>	<u>10,339,097</u>	<u>2,340,848</u>
		<u>1,529,506</u>	<u>1,347,365</u>	<u>10,366,416</u>	<u>2,340,883</u>

	3 months ended Mar 2023 (Rs.'000s)	3 months ended Mar 2022 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
7.1 (Loss) / Income from management				
Services income	326,658	104,416	1,482,363	2,654,743
Cost of services	(395,840)	(139,018)	(784,810)	(1,939,753)
	<u>(69,182)</u>	<u>(34,602)</u>	<u>697,553</u>	<u>714,990</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 Mar 2023 (Rs.'000s)	3 months ended Mar 2022 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
8. WORKERS' PROFIT PARTICIPATION FUND				
Provision for Workers' profit participation fund	306,216	277,112	1,128,459	742,903
Workers' profit participation fund recoverable from CPPA(G)	(231,114)	(210,256)	(612,090)	(628,566)
	<u>75,102</u>	<u>66,856</u>	<u>516,369</u>	<u>114,335</u>
9. FINANCE COSTS				
Interest / mark-up on long term loans	1,146,939	885,039	3,586,570	2,387,929
Mark-up on long term lease liabilities	8,910	6,359	19,457	23,030
Mark-up on short term borrowings	315,278	706,073	1,928,100	1,609,200
Amortisation of transaction costs	16,262	13,310	52,928	63,275
Other finance costs	97,838	113,687	405,908	316,479
	<u>1,585,227</u>	<u>1,724,468</u>	<u>5,992,963</u>	<u>4,399,913</u>

	Note	Mar 2023 (Rs.'000s) (Unaudited)	Jun 2022 (Rs.'000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		6,972,093	8,313,972
Capital work-in-progress (CWIP)		251,049	-
	10.1	<u>7,223,142</u>	<u>8,313,972</u>

10.1 Additions to property, plant and equipment during the period were Rs. 314 million (Mar 2022: Rs. 16 million) and disposals therefrom at net book value were Rs. 0.09 million (Mar 2022: Rs. 67 million).

	Note	Mar 2023 (Rs.'000s) (Unaudited)	Jun 2022 (Rs.'000s) (Audited)
11. LONG TERM INVESTMENTS			
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)	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	11,973,816	9,657,465
		<u>59,565,522</u>	<u>57,249,171</u>
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)	11.5	2,841,258	3,070,833
		<u>62,406,780</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. During the period, the Company signed a deed of undertaking in favour of Chinese lenders under which Company agreed to extend the Company's debt service underliaking obligations under CPHGC's financing documents specified under the Completion Guarantee (CG) dated 24 October 2017, as amended and restated from time to time, until the financing received by CPHGC from its lenders is fully repaid.

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.

On February 23, 2023, CPHGC's coal-fired power plant has been declared "Project Complete" by CPHGC's lenders. 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)

TNPTL achieved Commercial Operations Date (COD) during the period 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	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
12. TRADE DEBTS			
Considered good - secured			
Capacity Purchase Price (CPP)		21,932,834	19,954,040
Energy Purchase Price (EPP)		10,631,141	20,245,797
Late Payment Interest (LPI)	12.1	19,929,497	21,679,494
Startup Charges (SC)		144,919	294,168
Part Load Adjustment Charges (PLAC)		654,716	745,767
	12.2	<u>53,293,107</u>	<u>62,919,266</u>
12.1	This includes Rs. 3,065 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. 48,845 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.		

	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	421,661	65,563
Other receivables		
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	8,150,435	7,744,056
Staff gratuity	7,281	9,872
Receivable from LEL	21,567	876,687
Receivable from HPHL	111,318	30,472
Receivable from TEL	96,649	36,946
Receivable from TEL against services agreement	1,526,862	1,676,460
Receivable from TNPTL	39,022	8,679
Receivable from TNPTL against services agreement	2,969,101	3,553,948
Hub Power Services Limited - Pension Fund	-	512
Workers' profit participation fund recoverable from CPPA(G)	3,890,346	3,278,255
Miscellaneous	5,771	19,050
	<u>17,190,821</u>	<u>17,607,406</u>
	<u>17,612,482</u>	<u>17,672,969</u>

14. TRADE AND OTHER PAYABLES

This includes Rs. 26,355 million (June 2022: Rs. 22,742 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 22,796 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.

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 except disclosed below.

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

15.2 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 March 31, 2023 including the principal amount, penalty and default surcharge is approximately Rs. 983 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.

15.3 The FBR in the year 2022 issued show cause notices for the recovery of sales tax amounting to Rs. 7,104 million relating to fiscal year July 2019 to June 2020. However, during the period a final demand of Rs. 1,765 million was issued in January 2023. In FBR's view, the Company has not paid General Sales Tax on Late Payment Interest and on turnover received under Power Purchase Agreement and claimed input tax on items which has not been used for supply of electrical energy.

After dismissal of the Company's appeal at the CIR-A level, the Company filed appeal with the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. Meanwhile the ATIR has directed FBR to issue 15 days' notice prior to recovery.

The Company's maximum exposure as at March 31, 2023 is approximately Rs. 1,812 million

16. 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:

16.1	Details of transactions	Note	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
	Subsidiaries			
	Laraib Energy Limited			
	Reimbursable expenses incurred on behalf of subsidiary		62,222	104,432
	Receipts against reimbursement of expenses from subsidiary		48,096	149,213
	Dividend received		2,190,499	2,009,696
	Hub Power Holdings Limited			
	Reimbursable expenses incurred on behalf of subsidiary		7,512	490,323
	Receipts against reimbursement of expenses from subsidiary		-	475,992
	Interest income on loan to subsidiary	16.1.1	240,020	4,627
	Receipts against interest on loan to subsidiary		166,686	-
	Hub Power Services Limited			
	Reimbursable expenses incurred on behalf of subsidiary		4,040	33,601
	Receipts against reimbursement of expenses from subsidiary		-	5,374
	Reimbursable expenses incurred by subsidiary		15,267	15,756
	Payments against reimbursement of expenses to subsidiary		-	6,044
	Amount paid for O&M services rendered		85,434	108,145
	Dividend received		465,000	240,000
	Interest expense on loan from subsidiary	16.1.2	21,921	17,366
	Payments against interest on loan from subsidiary		20,383	6,013
	Narowal Energy Limited			
	Reimbursable expenses incurred on behalf of subsidiary		47,139	33,416
	Receipts against reimbursement of expenses from subsidiary		-	35,487
	Interest income on loan to subsidiary	16.1.3	-	8,986
	Interest expense on loan from subsidiary	16.1.4	410,225	100,580
	Receipts against interest on loan to subsidiary		-	1,831
	Payment against interest on loan from subsidiary		464,350	-
	Dividend received		7,843,567	-

	Note	9 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2022 (Rs.'000s)
Thar Energy Limited			
Investment in subsidiary		2,316,353	1,815,047
Reimbursable expenses incurred on behalf of subsidiary		407,498	45,012
Receipts against reimbursement of expenses from subsidiary		191,235	62,309
Services rendered to subsidiary		515,096	629,556
Receipts against services rendered to subsidiary		821,254	4,627,165
Associates			
ThalNova Power Thar (Private) Limited			
Services rendered to associate		996,660	2,025,187
Reimbursable expenses incurred on behalf of associate		509,011	214,601
Receipts against services rendered to associate		1,986,012	475,256
Receipts against reimbursement of expenses from associate		74,164	229,840
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		126,460	79,064
Retirement benefits		5,236	3,116
	16.1.5 & 16.1.6	131,696	82,180
Directors' fee	16.1.7	5,750	5,750
Contribution to staff retirement benefit plans of the Company		18,196	11,845
Contribution to staff retirement benefit plan of HPSL		19,968	14,902
Contribution to staff retirement benefit plan of TEL		965	924
Contribution to staff retirement benefit plan of LEL		543	443
16.1.1	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 (Mar 2022: Rs. 547 million).		
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 (Mar 2022: Rs. 411 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 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 (Mar 2022: Rs. 2,488 million).		
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 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 (Mar 2022: Rs. 4,886 million).		
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. 24 million (Mar 2022: Rs. 17 million).		
16.1.7	This represents fee paid to Board of Directors for attending meetings.		
16.1.8	The transactions with related parties are made under mutually agreed terms and conditions.		

	Note	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
16.2 Details of outstanding balances			
Subsidiaries			
Hub Power Holdings Limited			
Loan to subsidiary	16.1.1	<u>2,135,103</u>	<u>1,488,819</u>
Hub Power Services Limited			
Payable to subsidiary		<u>8,000</u>	<u>5,777</u>
Loan from subsidiary	16.1.2	<u>44,772</u>	<u>283,053</u>
Accrued interest		<u>9,257</u>	<u>7,720</u>
Narowal Energy Limited			
Loan from subsidiary	16.1.3	<u>2,137,763</u>	<u>6,339,258</u>
Payable to subsidiary		<u>27,077</u>	<u>128,341</u>
Other related parties			
Payable to Hub Power Services Limited - Pension Fund		<u>7,281</u>	<u>-</u>
Payable to the Hub Power Company Limited - Gratuity Fund		<u>1,018</u>	<u>-</u>
		Mar 2023 (Rs.'000s)	Mar 2022 (Rs.'000s)
17. CASH AND CASH EQUIVALENTS			
Cash and bank balances		648,872	385,887
Short term borrowings		<u>(27,459,426)</u>	<u>(32,043,457)</u>
		<u>(26,810,554)</u>	<u>(31,657,570)</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 audited 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	Total
	(Rs. '000s)			
March 31, 2023				
Assets				
Investment in SECMC				
- At fair value through other comprehensive income	-	-	2,841,258	2,841,258

	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
June 30, 2022				
Assets				
Investment in SECMC				
- At fair value through other comprehensive income	-	-	3,070,833	3,070,833
	3 months ended Mar 2023	3 months ended Mar 2022	9 months ended Mar 2023	9 months ended Mar 2022

19. PLANT CAPACITY AND PRODUCTION

HUB PLANT

Theoretical Maximum Output (GWh)	2,592	2,592	7,891	7,891
Total Output (GWh)	2	97	205	863
Load Factor (%)	0.08%	3.74%	2.60%	10.94%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,294 GWh (Mar 2022: 7,258 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

20. SUBSEQUENT EVENT

The Board of Directors of the company declared an interim cash dividend for the year ending June 30, 2023 at Rs. 2.75 per share, amounting to Rs. 3,567.175 million, at their meeting held on April 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.

21. DATE OF AUTHORISATION

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

22. 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 THIRD QUARTER ENDED MARCH 31, 2023

	Note	3 months ended Mar 2023 (Rs. '000s)	3 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)
Turnover	5	27,230,964	18,784,944	81,917,968	65,052,186
Operating costs	6	(14,098,332)	(10,137,031)	(46,200,688)	(40,596,581)
GROSS PROFIT		13,132,632	8,647,913	35,717,280	24,455,605
General and administration expenses		(341,650)	(311,308)	(974,484)	(768,423)
Other income		(159,429)	226,602	747,850	707,845
Workers' profit participation fund	7	(75,102)	(66,856)	(516,369)	(114,335)
PROFIT FROM OPERATIONS		12,556,451	8,496,351	34,974,277	24,280,692
Finance costs	8	(4,720,944)	(2,030,654)	(11,844,535)	(5,427,902)
Share of profit from associates and joint venture - net	9	6,475,588	4,165,329	19,553,019	4,996,070
PROFIT BEFORE TAXATION		14,311,095	10,631,026	42,682,761	23,848,860
Taxation		(2,034,289)	(1,167,713)	(6,251,929)	(1,669,578)
PROFIT FOR THE PERIOD		12,276,806	9,463,313	36,430,832	22,179,282
Attributable to:					
- Owners of the holding company		11,249,326	9,241,096	33,646,828	21,453,212
- Non-controlling interest		1,027,480	222,217	2,784,004	726,070
		12,276,806	9,463,313	36,430,832	22,179,282
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		8.67	7.12	25.94	16.54

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


M. Habibullah Khan
Chairman


Kamran Kamal
Chief Executive


Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

	3 months ended Mar 2023 (Rs. '000s)	3 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)
Profit for the period	12,276,806	9,463,313	36,430,832	22,179,282
Other comprehensive income / (loss) for the period				
<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)
(Loss) / gain on revaluation of equity investment at fair value through other comprehensive income	(28,687)	59,239	(229,576)	217,172
	(28,687)	59,239	(229,685)	216,364
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,248,119	9,522,552	36,201,147	22,395,646
Attributable to:				
- Owners of the holding company	11,220,639	9,300,335	33,417,143	21,669,576
- Non-controlling interest	1,027,480	222,217	2,784,004	726,070
	12,248,119	9,522,552	36,201,147	22,395,646

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

M Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Muhammad Saqib
Chief Financial Officer



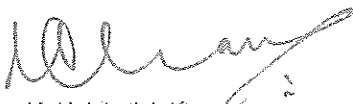
THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	140,610,274	108,670,143
Intangibles		1,517,006	1,418,156
Long term investments	11	101,618,127	80,247,699
Long term deposits and prepayments		22,544	21,421
		243,767,951	190,357,419
CURRENT ASSETS			
Stores, spares and consumables		2,208,370	1,943,242
Stock-in-trade		4,224,097	4,813,726
Trade debts	12	96,862,015	84,749,156
Loans and advances		847,291	235,528
Prepayments and other receivables	13	20,080,013	19,060,398
Short term investment - at fair value		-	6,465,204
Cash and bank balances		6,650,913	7,527,907
		130,872,699	124,795,161
TOTAL ASSETS		374,640,650	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		102,007,113	95,162,151
Attributable to owners of the holding company		120,578,657	114,733,695
NON-CONTROLLING INTEREST		14,680,830	10,768,499
		135,259,487	125,502,194
NON-CURRENT LIABILITIES			
Long term loans		102,310,490	91,575,169
Long term lease liabilities		1,059,446	1,466,049
Deferred taxation		16,405,427	10,849,008
		119,775,363	103,890,226
CURRENT LIABILITIES			
Trade and other payables	14	65,208,786	43,971,090
Unclaimed dividend		212,644	223,090
Unpaid dividend		435,601	405,346
Interest / mark-up accrued		2,943,491	3,107,238
Short term borrowings		32,920,117	24,172,516
Current maturity of long term loans		16,963,935	13,206,073
Current maturity of long term lease liabilities		921,226	674,807
		119,605,800	85,760,160
TOTAL EQUITY AND LIABILITIES		374,640,650	315,152,580

COMMITMENTS AND CONTINGENCIES

15

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


 M Habibullah Khan
 Chairman


 Kamran Kamal
 Chief Executive


 Muhammad Saqib
 Chief Financial Officer



**THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023**

	Note	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		42,682,761	23,848,860
Adjustments for:			
Depreciation		5,544,653	3,388,245
Amortisation		20,041	6,137
Gain on disposal of fixed assets		(13,532)	(68,005)
Provision against slow moving stores, spares and consumables		248,216	265,578
Share of profit from associates - net		(19,553,019)	(4,996,070)
Staff gratuity		55,553	30,719
Interest income		(445,212)	(207,542)
Mark-up on lease liabilities		120,217	94,454
Interest / mark-up expense		10,835,933	4,902,676
Unrealized profit on management services to associate - TNPTL		211,456	194,884
Amortisation of transaction costs		338,309	104,079
Operating profit before working capital changes		40,045,376	27,564,015
Working capital changes		(6,916,864)	(229,269)
Cash generated from operations		33,128,512	27,334,746
Interest income received		433,572	209,224
Interest / mark-up paid		(10,999,680)	(4,703,562)
Staff gratuity paid		(15,338)	(64,520)
Taxes paid		(689,907)	(320,395)
Net cash generated from operating activities		21,857,159	22,465,493
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(8,997,474)	(50,343,829)
Proceeds from disposal of fixed assets		13,637	57,723
Short term investments redeemed		16,015,658	-
Short term investment made		(9,550,454)	-
Long term investments made		(1,668,883)	(684,257)
Long term deposits and prepayments		(1,123)	13,308
Net cash used in investing activities		(4,188,639)	(50,957,055)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(27,276,150)	(14,850,644)
Dividends paid to non controlling interest		(710,145)	(671,664)
Proceeds from long term loans - net		11,789,400	49,919,705
Repayment of long term loans		(11,958,850)	(6,273,480)
Proceeds from advance received against issue of shares to non-controlling interests		1,575,001	1,220,490
Repayment of long term lease liabilities		(699,621)	(557,401)
Share issue cost		(12,750)	(1,884)
Net cash (used in) / generated from financing activities		(27,293,115)	28,785,122
Net increase in cash and cash equivalents		(9,624,595)	293,560
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	18	(26,269,204)	(27,258,377)

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (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 beginning and end of the period	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM		
Balance at the beginning and 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	33,646,828	21,453,212
Other comprehensive income / (loss) for the period	(229,685)	216,364
Total comprehensive income for the period	33,417,143	21,669,576
Share issue cost	(7,650)	(1,130)
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2021-22 @ Rs. Nil (2020-21 @ Rs. 5.00) per share	-	(6,485,772)
First interim dividend for the fiscal year 2022-23 @ Rs. 15.50 (2021-22 @ Rs. 6.50) per share	(20,105,893)	(8,431,504)
Second interim dividend for the fiscal year 2022-23 @ Rs. 5.75 (2021-22 @ Rs. Nil) per share	(7,458,638)	-
	<u>(27,564,531)</u>	<u>(14,917,276)</u>
Balance at the end of the period	<u>102,007,113</u>	<u>89,006,536</u>
Attributable to owners of the holding company	<u>120,578,657</u>	<u>107,578,080</u>
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	10,768,499	8,839,259
Total comprehensive income for the period	2,784,004	726,070
Dividend	(441,574)	(445,050)
Investment made	1,575,001	1,220,490
Share issue cost	(5,100)	(754)
Balance at the end of the period	<u>14,680,830</u>	<u>10,340,005</u>
TOTAL EQUITY	<u>135,259,487</u>	<u>117,918,085</u>

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

M. Habibullah Khan
Chairman

Kamran Kamal
Chief Executive

Muhammad Saqib
Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2023

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%;
- Narawal 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 Company for the third quarter ended March 31, 2023 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.

3 months ended 3 months ended 9 months ended 9 months ended
Mar 2023 Mar 2022 Mar 2023 Mar 2022
(Rs. '000s) (Rs. '000s) (Rs. '000s) (Rs. '000s)

5. TURNOVER

Capacity Purchase Price (CPP)	16,764,404	9,196,090	42,575,789	26,618,727
Energy Purchase Price (EPP)	8,869,252	9,028,746	36,734,741	37,224,096
Late Payment Interest (LPI)	2,513,062	1,652,761	6,954,496	5,307,337
Startup Charges (SC)	(2,729)	75,132	136,106	330,177
Part Load Adjustment Charges (PLAC)	121,350	136,231	575,831	946,890
	<u>28,265,339</u>	<u>20,088,950</u>	<u>86,976,963</u>	<u>70,426,227</u>
Less: Sales tax on EPP	(1,034,375)	(1,304,006)	(5,058,995)	(5,374,041)
	<u>27,230,964</u>	<u>18,784,944</u>	<u>81,917,968</u>	<u>65,052,186</u>

6. OPERATING COSTS

Fuel cost	7,854,876	7,389,836	31,538,709	31,871,072
Late Payment Interest to fuel suppliers	980,597	426,386	2,442,610	1,423,086
Water use charges	40,615	30,106	169,233	115,873
Salaries, benefits and other allowances	398,413	238,339	920,199	684,660
Stores and spares	333,448	148,550	775,299	821,261
Insurance	1,126,348	359,689	2,363,578	1,085,678
Depreciation	2,445,454	1,046,830	5,486,771	3,322,047
Amortisation	9,256	114	18,672	4,692
Repairs, maintenance and other costs	909,325	497,181	2,485,617	1,268,212
	<u>14,098,332</u>	<u>10,137,031</u>	<u>46,200,688</u>	<u>40,596,531</u>



	3 months ended Mar 2023 (Rs. '000s)	3 months ended Mar 2022 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)
7. WORKERS' PROFIT PARTICIPATION FUND				
Provision for workers' profit participation fund	458,564	338,249	1,522,851	895,514
Workers' profit participation fund recoverable from CPPA(G)	(383,462)	(271,393)	(1,006,482)	(781,179)
	<u>75,102</u>	<u>66,856</u>	<u>516,369</u>	<u>114,335</u>
8. FINANCE COSTS				
Interest / mark-up on long term loans	3,855,546	1,080,299	8,866,431	3,027,907
Mark-up on short term borrowings	513,060	757,139	1,969,502	1,893,978
Mark-up on long term lease liabilities	42,654	28,955	120,217	94,454
Amortisation of transaction costs	130,856	19,340	338,309	84,457
Other finance costs	178,828	144,921	550,076	327,106
	<u>4,720,944</u>	<u>2,030,654</u>	<u>11,844,535</u>	<u>5,427,902</u>
9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET				
Associates				
China Power Hub Generation Company (Pvt) Limited				
- representing 47.5% (Dec 2019: 47.5%) equity shares	5,128,269	4,336,916	18,674,364	5,201,026
- obligation in respect of profit on shares related to GoB	(161,946)	(136,955)	(589,717)	(164,243)
	<u>4,966,323</u>	<u>4,199,961</u>	<u>18,084,647</u>	<u>5,036,783</u>
ThalNova Power Thar (Private) Limited	413,604	(34,980)	446,147	(42,098)
	<u>5,379,927</u>	<u>4,164,981</u>	<u>18,530,794</u>	<u>4,994,685</u>
Joint Ventures				
- Prime International Oil & Gas Company Limited	1,085,961	348	1,085,961	1,385
- China Power Hub Operating Company (Pvt) Limited	9,700	-	(63,736)	-
	<u>6,475,588</u>	<u>4,165,329</u>	<u>19,553,019</u>	<u>4,996,070</u>
			Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT				
Operating property, plant and equipment			140,359,225	37,717,818
Capital work-in-progress				
Holding company			251,049	-
NEL			-	32,133
TEL			-	70,920,192
			<u>251,049</u>	<u>70,952,325</u>
			<u>140,610,274</u>	<u>108,670,143</u>



	Note	Mar 2023 (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	90,360,431	71,686,226
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	6,693,724	4,910,679
		<u>97,054,155</u>	<u>76,596,905</u>
Investment in joint venture (under equity method) - unquoted			
- Prime International Oil and Gas Company Limited	11.3	1,673,816	467,327
- China Power Hub Operating Company (Private) Limited (CPHO)	11.4	48,898	112,634
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)	11.5	2,841,258	3,070,833
		<u>101,618,127</u>	<u>80,247,699</u>
11.1 China Power Hub Generation Company (Private) Limited (CPHGC)			
Opening investment		71,686,226	62,267,314
Share of profit from associate		18,674,364	9,430,025
Share of other comprehensive (loss) / income from associate		(159)	(1,113)
		<u>90,360,431</u>	<u>71,686,226</u>

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. During the period, the holding company signed a deed of undertaking in favour of Chinese lenders under which holding company agreed to extend the holding company's debt service undertaking obligations under CPHGC's financing documents specified under the Completion Guarantee (CG) dated 24 October 2017, as amended and restated from time to time, until the financing received by CPHGC from its lenders is fully repaid.

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.

On February 23, 2023, CPHGC's coal fired power plant has been declared "Project Complete" by CPHGC lenders. The declaration of Project Completion Date (PCD) releases the holding company from its obligation to maintain a USD 150 million SBLC.



	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
11.2 ThaiNova Power Thar (Private) Limited (TNPTL)		
Opening investment	4,910,679	4,946,648
Investment during the period / year	1,548,354	861,075
Share of profit / (loss) from associate	446,147	(5,028)
Unrealized profit on management services	(211,456)	(882,434)
Group's share in share issue cost	-	(9,582)
	<u>6,693,724</u>	<u>4,910,679</u>

TNPTL achieved its Commercial Operations Date (COD) on February 17, 2023.

	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
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	1,085,961	1,087
	<u>1,673,816</u>	<u>467,327</u>

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 entirely on December 29, 2022 when the change of control of upstream entities was transferred from ENI to Prime.

	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
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	(63,736)	104,193
	<u>48,898</u>	<u>112,634</u>

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.

	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
12. TRADE DEBTS - secured		
Considered good - Secured		
Capacity Purchase Price (CPP)	34,956,501	26,560,445
Energy Purchase Price (EPP)	37,393,663	32,315,375
Late Payment Interest (LPI)	23,705,381	24,502,080
Startup Charges (SC)	144,919	294,168
Part Load Adjustment Charges (PLAC)	661,551	745,767
Pass through items (WPPF and taxes)	-	341,321
	<u>96,862,015</u>	<u>84,749,156</u>

Note

12.2

- 12.1 This includes Rs. 4,729 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. 62,587 million (June 2022: Rs. 58,770 million) from CPPA(G) and Rs. 6,035 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	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		1,187,134	98,222
Other receivables			
Interest accrued		22,333	10,693
Income tax - Contractor tax refundable		372,469	372,469
Sales tax		10,473,118	10,026,259
Advance tax		15,371	20,974
Staff gratuity		7,281	37,583
Staff retirement benefit funds		-	512
Receivable from CPHGC		11,808	31,701
Receivable from CPHO		59,943	31,833
Receivable from TNPTL		266,816	16,787
Receivable from TNPTL against services agreement		1,857,949	3,553,948
Workers' profit participation fund recoverable from CPPA(G)	7	5,573,850	4,566,877
Miscellaneous		231,941	292,540
		18,892,879	18,962,176
		<u>20,080,013</u>	<u>19,060,398</u>

14. TRADE AND OTHER PAYABLES

This includes Rs. 26,355 million (June 2022: Rs. 22,742 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 22,796 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.

15. 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:

15.1 In connection with the operations of the holding company:

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

15.1.2 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 March 31, 2023 including the principal amount, penalty and default surcharge is approximately Rs. 993 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.

15.1.3 The FBR in the year 2022 issued show cause notices for the recovery of sales tax amounting to Rs. 7,104 million relating to fiscal year July 2019 to June 2020. However, during the period a final demand of Rs. 1,765 million was issued in January 2023. In FBR's view, the holding company has not paid General Sales Tax on Late Payment Interest and on turnover received under Power Purchase Agreement and claimed input tax on items which has not been used for supply of electrical energy.

After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. Meanwhile the ATIR has directed FBR to issue 15 days' notice prior to recovery.

The holding company's maximum exposure as at March 31, 2023 is approximately Rs. 1,812 million.

15.2 In connection with the operations of TEL

15.2.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 5,040 million (Jun 2022: Rs. 11,227 million).

16. SEGMENT INFORMATION

16.1 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 Mar 2023								
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
Turnover	9,238,772	4,562,378	2,098,047	11,331,767	576,024	-	-	(576,024)	27,230,954
Operating costs	(2,810,475)	(3,267,939)	(1,004,741)	(7,045,798)	(322,146)	-	-	352,817	(14,098,332)
GROSS PROFIT	6,428,297	1,294,389	1,093,306	4,285,969	253,878	-	-	(223,207)	13,132,632
General and administration expenses	(248,217)	(22,160)	(26,654)	(20,517)	(81,427)	(23,828)	-	81,173	(341,650)
Other income	(233,321)	1,129	192,359	199,668	30,304	-	1,762,827	(2,109,395)	(159,429)
Other operating expenses	9,578	-	-	-	-	-	(84,650)	-	(75,102)
PROFIT FROM OPERATIONS	5,956,337	1,273,338	1,259,011	4,462,120	202,755	(23,828)	1,678,147	(2,251,429)	12,556,451
Finance costs	(60,945)	(182,993)	(148,449)	(2,553,598)	-	(1,787,338)	-	12,369	(4,720,944)
Share of profit from associates - net	-	-	-	-	-	6,475,598	-	-	6,475,598
PROFIT BEFORE TAXATION	5,895,392	1,090,345	1,110,562	1,908,532	202,755	4,664,422	1,678,147	(2,239,060)	14,311,095
Taxation	(28,742)	(245)	(11,577)	(28,070)	(67,112)	(1,789,017)	(110,526)	-	(2,034,269)
PROFIT FOR THE YEAR	5,866,650	1,089,100	1,098,985	1,880,462	135,643	2,876,405	1,567,621	(2,239,060)	12,276,806

	3 months ended Mar 2022								
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
Turnover	10,365,317	6,682,197	1,737,060	-	133,570	-	-	(133,210)	18,784,944
Operating costs	(4,331,388)	(5,309,814)	(404,239)	-	(112,247)	-	-	103,657	(10,137,031)
GROSS PROFIT	6,033,929	1,372,373	1,252,841	-	21,323	-	-	(29,553)	8,647,913
General and administration expenses	(114,615)	(17,763)	(29,099)	-	(7,634)	(127,950)	-	(14,203)	(311,309)
Other income	161,581	2,510	51,892	-	6,350	47,336	1,165,784	(1,226,660)	220,602
Other operating expenses	(7,567)	-	-	-	-	(31,016)	(59,269)	-	(97,872)
PROFIT FROM OPERATIONS	6,073,328	1,357,120	1,275,599	-	20,086	(111,640)	1,136,495	(1,275,653)	8,465,336
Finance costs	(451,094)	(134,372)	(120,070)	-	(212)	(1,481,872)	-	197,690	(1,999,630)
Share of profit from associates and joint venture - net	-	-	-	-	-	4,165,329	-	-	4,165,329
PROFIT BEFORE TAXATION	5,622,234	1,222,748	1,145,519	-	19,874	2,671,917	1,126,495	(1,077,963)	10,631,928
Taxation	(46,935)	(100)	(5,326)	-	(7,127)	(1,060,450)	(47,741)	-	(1,167,719)
PROFIT FOR THE YEAR	5,575,299	1,222,620	1,140,193	-	12,747	1,611,467	1,078,748	(1,077,963)	9,464,213

	9 months ended Mar 2023								
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
Turnover	35,070,246	16,224,212	6,334,659	24,268,852	1,268,771	-	(1,268,771)	81,917,968	
Operating costs	(16,235,260)	(12,563,307)	(2,185,080)	(15,307,889)	(510,375)	-	602,223	(45,280,688)	
GROSS PROFIT	18,834,986	3,660,905	4,149,578	8,960,963	758,396		(666,548)	35,717,280	
General and administration expenses	(639,262)	(66,789)	(73,365)	(105,600)	(122,517)	(70,212)	104,261	(974,484)	
Other income	113,011	5,641	310,513	310,577	56,093	10,253,405	(10,301,380)	747,850	
Other operating expenses	9,578	-	-	-	-	-	(525,947)	(516,369)	
PROFIT FROM OPERATIONS	18,318,313	3,599,757	4,385,726	9,184,940	691,962	(70,212)	9,727,458	34,974,277	
Finance costs	(759,166)	(260,761)	(443,179)	(4,636,094)	(147)	(6,115,238)	370,050	(11,844,536)	
Share of profit from associates - net	-	-	-	-	-	19,553,019	-	19,553,019	
PROFIT BEFORE TAXATION	17,559,147	3,339,996	3,942,547	4,548,846	691,815	13,367,569	9,727,458	42,682,761	
Taxation	(28,748)	(1,549)	(22,530)	(43,746)	(225,728)	(5,578,732)	(350,890)	(6,251,929)	
PROFIT FOR THE YEAR	17,530,399	3,337,447	3,920,017	4,505,100	466,087	7,788,837	9,376,562	36,430,832	

	9 months ended Mar 2022								
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
Turnover	41,835,460	18,089,971	5,126,395	-	571,245	-	(570,855)	65,652,166	
Operating costs	(24,519,933)	(14,481,148)	(1,623,460)	-	(299,193)	-	327,193	(40,596,581)	
GROSS PROFIT	17,315,527	3,608,823	3,502,935		272,052		(243,733)	24,455,685	
General and administration expenses	(398,460)	(52,478)	(85,234)	-	(40,390)	(208,594)	16,733	(768,423)	
Other income	445,094	4,492	129,909	-	28,734	168,562	(1,964,755)	707,845	
Other operating expenses	(19,546)	-	-	-	-	(31,016)	(94,789)	(145,351)	
PROFIT FROM OPERATIONS	17,342,615	3,560,837	3,547,610		260,397	(71,628)	1,801,309	24,249,676	
Finance costs	(1,035,156)	(508,609)	(393,696)	-	(1,258)	(3,963,842)	506,072	(5,396,866)	
Share of profit from associates and joint venture - net	-	-	-	-	-	4,996,670	-	4,996,670	
PROFIT BEFORE TAXATION	16,306,459	3,052,228	3,154,914		259,141	961,200	1,801,000	23,848,860	
Taxation	(107,709)	(693)	(19,247)	-	(74,922)	(1,288,843)	(159,164)	(1,639,576)	
PROFIT FOR THE YEAR	16,198,750	3,051,535	3,144,267		184,219	(325,643)	1,641,836	22,170,282	

16.2 SEGMENT ASSETS & LIABILITIES

	As at Mar 31, 2023								
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
Assets	79,544,647	37,628,622	27,525,050	132,650,838	718,831	103,691,001	64,077,592	(71,195,129)	374,640,650
Liabilities	65,601,836	9,300,703	7,306,641	108,513,935	584,699	54,309,558	644,629	(6,860,838)	239,391,163

	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	92,468,399	46,005,577	26,806,660		522,407	167,658,536	58,439,255	(70,778,744)	315,152,560
Liabilities	59,167,224	13,171,838	6,746,661		369,362	146,272,610	1,546,985	(9,623,074)	189,650,386



17. 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	9 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2022 (Rs. '000s)
17.1 Details of Transactions			
Associates			
Services rendered to CPHGC		115,022	44,788
Receipt against services agreement from CPHGC		104,851	76,082
Reimbursable expenses incurred on behalf of TNPTL		417,179	228,456
Receipt against reimbursement of expenses from TNPTL		74,164	-
Services rendered to TNPTL		1,175,492	1,698,157
Receipt against services agreement from TNPTL		2,161,797	-
Reimbursable expenditure incurred by TNPTL		58,885	-
Services rendered to CPHO		367,656	-
Receipts against services rendered to CPHO		307,729	-
Payment against reimbursement of expenses to CPHO		31,833	-
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		111,384	120,191
Retirement benefits		6,250	3,722
	17.1.1	117,634	123,913
Directors' fee	17.1.2	6,250	5,325
Proceeds from disposals of assets		-	725
Contribution to staff retirement benefit plans		64,811	86,141
Dividend paid to NCI - Coate & Co. Private Limited		695,713	638,246

17.1.1 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

17.1.2 This represents fee paid to Board of Directors for attending meetings

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

	Mar 2023 (Rs. '000s) (Unaudited)	Jun 2022 (Rs. '000s) (Audited)
17.2 Details of Balances		
Associate		
ThalNova Power Thar (Private) Limited		
Unearned income	110,418	156,501
Payable	74,961	-
Other related parties		
Payable to staff retirement benefit plans	8,354	8,770



Mar 2023
(Rs. '000s) Mar 2022
(Rs. '000s)

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	6,650,913	7,603,713
Short term borrowings	(32,920,117)	(34,862,090)
	(26,269,204)	(27,258,377)

19. 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)			
March 2023				
Assets				
(Investment in SECMC)				
- At fair value through other comprehensive income	-	-	2,841,258	2,841,258
Short term investment - others				
- At fair value through profit or loss	-	-	-	-
June 2022				
Assets				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,070,833	3,070,833
Short term investment - others				
- At fair value through profit or loss	-	6,465,204	#REF!	#REF!

20. PLANT CAPACITY AND PRODUCTION

	3 months ended Mar 2023	3 months ended Mar 2022	9 months ended Mar 2023	9 months ended Mar 2022
<u>HUB PLANT</u>				
Theoretical Maximum Output (GWh)	2,592	2,592	7,891	7,891
Output produced (GWh)	2	97	205	863
Load Factor	0.08%	4%	2.60%	10.94%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,294 GWh (Mar 2022: 7,258 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Mar 2023	3 months ended Mar 2022	9 months ended Mar 2023	9 months ended Mar 2022
<u>NAROWAL PLANT</u>				
Theoretical Maximum Output (GWh)	462	462	1,406	1,406
Output produced (GWh)	44	214	321	634
Load Factor	10%	46%	23%	45%

Practical maximum output for the power plant, taking into account all the scheduled outages is 1,266 GWh (Mar 2022: 1,358 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Mar 2023	3 months ended Mar 2022	9 months ended Mar 2023	9 months ended Mar 2022
<u>LARAIB PLANT</u>				
Theoretical Maximum Output (GWh)	181	181	552	552
Total Output (GWh)	66	73	224	281
Load Factor	36%	40%	41%	51%

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

	3 months ended Mar 2023	3 months ended Mar 2022	9 months ended Mar 2023	9 months ended Mar 2022
<u>THAR PLANT</u>				
Theoretical Maximum Output (GWh)	663	-	1,312	-
Total Output (GWh)	163	-	685	-
Load Factor	25%	-	52%	-

Practical maximum output for the power plant, taking into account all the scheduled outages is 663 GWh (Mar 2022: Nil 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 holding company declared an interim dividend for the fiscal year ending June 30, 2023 of Rs. 2.75 per share, amounting to Rs. 3,567.175 million, at their meeting held on April 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.



22. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on April 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

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

M. Habibullah Khan
Chairman

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

Kamran Kamal
Chief Executive

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

Muhammad Saqib
Chief Financial Officer

ڈائریکٹرز کا جائزہ

31 مارچ، 2023 کو ختم ہونے والے کوارٹڈ کے لئے مربوط اور غیر مربوط مالیاتی بیانات پر ڈائریکٹرز کے رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی مالی اور آپریشنل کارکردگی کا ایک مختصر جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اہم مالی جھلکیاں:

9 ماہ کے دوران مجموعی خالص منافع 33,647 ملین روپے رہا جس کے نتیجے میں فی حصص آمدنی 25.94 ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصے کے دوران خالص منافع 21,453 ملین روپے اور ای پی ایس 16.54 ملین روپے تھا۔ منافع میں اضافے کی بنیادی وجہ سی پی ایچ جی سی سے منافع کا زیادہ حصہ، تھر انرجی لمیٹڈ، تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ اور پرائم انٹرنیشنل آئل اینڈ گیس کمپنی لمیٹڈ کے کمرشل آپریشنز کے آغاز کے بعد منافع کا آغاز اور حصول کی تکمیل ہے۔

نو ماہ کے دوران غیر مربوط خالص منافع 21,673 ملین روپے رہا جس کے نتیجے میں 16.71 ملین روپے کا ای پی ایس ہوا جبکہ گزشتہ سال کے اسی عرصے کے دوران خالص منافع 14,447 ملین روپے اور ای پی ایس 11.14 ملین روپے تھا۔ غیر مستحکم منافع میں اضافہ بنیادی طور پر نارووال انرجی لمیٹڈ سے منافع کی آمدنی کی وجہ سے ہے جو جزوی طور پر زیادہ شرح سود کی وجہ سے زیادہ مالی اخراجات کے اثرات کی وجہ سے پورا ہوتا ہے۔

اہم آپریشنل جھلکیاں:

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

TN	تل	CPHGC	Laraib	نارووال	حب	تکنیکی پیرامیٹرز
191	685	1,272	224	321	205	نیٹ برقی آؤٹ پٹ (جی ڈبلیو ایچ)
61%	52%	15%	41%	23%	2.6%	لوڈ فیکٹر (%)

ترقی کے منصوبے:

تھر بلاک ٹو میں لیگنٹاٹ پر مبنی 330 میگاواٹ تھر انرجی لمیٹڈ (ٹی ای ایل) منصوبے نے یکم اکتوبر 2022 کو اپنے کمرشل آپریشنز کے بعد نیشنل گرڈ میں 685 گیگا واٹ کا حصہ ڈالا ہے جس میں 2.90 ملین محفوظ افرادی گھنٹے شامل ہیں۔

اسی طرح 17 فروری 2023ء کو کمرشل آپریشنز کے حصول کے بعد تھر بلاک ٹو میں 330 میگاواٹ کے تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (ٹی این پی ٹی ایل) منصوبے نے نیشنل گرڈ میں 191 گیگا واٹ کا حصہ ڈالا ہے۔

سی او ڈی حاصل کرنے کے بعد سے تھر کے کوئلے سے چلنے والے ان دو پاور پلانٹس نے درآمدی ایندھن کی جگہ لے کر تقریباً 117 ملین امریکی ڈالر کے زرمبادلہ کی بچت کی ہے۔ توقع ہے کہ پورے سال کی بنیاد پر یہ دونوں پلانٹس درآمد شدہ ایندھن کی تبدیلی کے ذریعے تقریباً 600 ملین امریکی ڈالر کی ایف ایکس بچت فراہم کریں گے۔

پاکستان میں اپنی کے کاروبار کے حصول کی تکمیل کے بعد 31 مارچ 2023ء کو ختم ہونے والی تین ماہ کی مدت کے مجموعی نتائج میں کمپنی کا حصہ شامل کیا گیا ہے۔

23 فروری 2023ء، چائنا باور حب جنریشن کمپنی (پرائیویٹ) لمیٹڈ کے قرض دہندگان نے اپنے x6602 میگاواٹ درآمد شدہ کوئلے پر مبنی منصوبے کی تکمیل (پی سی ڈی) کا اعلان کیا ہے۔ پی سی ڈی کے اعلان کے بعد، کمپنی کی 150 ملین امریکی ڈالر ایس پی ایل سی کو برقرار رکھنے کی ذمہ داری جاری کر دی گئی ہے اور پروجیکٹ کو تقسیم شدہ منافع کی دستیابی اور قرض دہندگان کے دیگر قرض کے معاہدوں کی تعمیل سے مشروط منافع کی ادائیگی کی اجازت ہے۔

کمپنی گندے پانی کی ری سائیکلنگ کے منصوبے کو فعال طور پر آگے بڑھا رہی ہے۔ توقع ہے کہ جی او ایس جلد ہی اس منصوبے کے لئے مسابقتی بولی کا عمل شروع کرے گا۔ کمپنی پہلے ہی منصوبے کے سلسلے میں پہلے انکار کا حق رکھتی ہے۔ کمپنی تنوع کے اپنے وزن کے مطابق قابل تجدید توانائی کے مواقع کا جائزہ لینا بھی جاری رکھے ہوئے ہے۔

کمپنی اپنے شیئر ہولڈرز، ملازمین، کاروباری شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کی شکر گزار ہے جنہوں نے ترقی اور خوشحالی کے ہمارے سفر میں اعتماد اور حمایت کی اور سب سے اہم طور پر پاکستان کی توانائی کی حفاظت میں اپنا کردار ادا کیا۔

بورڈ کے حکم سے

محمد حبیب اللہ خان
چیئرمین

محمد کامران کمال
چیف ایگزیکٹو آفیسر

تاریخ: 27 اپریل 2023

