



The Hub Power Company Limited

Unaudited Financial Statements
for the 1st Quarter Ended
September 30, 2023

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The Hub Power Company Limited

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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	
Muhammad Irfan Iqbal	

Company Secretary

Faiza Kapadia Raffay

Leadership Team

Muhammad Kamran Kamal	Chairman
Saleemullah Memon	
Muhammad Saqib	
Kaleem Ullah Khan	
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
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
Samba Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
Saudi Pak Industrial & Agricultural Investment Company Limited
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. Ferguson & Co.

Registrar

FAMCO Associates (Pvt) Limited

Shariah Auditors	Reanda Haroon Zakaria & Co.
Shariah Advisors	Alhamd Shariah Advisory Services (Pvt) Ltd.
Hub Plant	Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan
Narowal Plant	Mouza Poong, 5 KM from Luban Pulli Point on Mureedkay-Narowal Road, District Narowal, Punjab
Laraib Plant	New Bong Escape Hydro-Electric Power Complex, Village Lehri, Tehsil & District Mirpur, Azad Jammu & Kashmir
TEL Plant	Block-II, Thar Coalfield, Islamkot (Dist. Tharparkar). Sindh.
TN Plant	Block-II, Thar Coalfield, Islamkot (Dist. Tharparkar). Sindh.
PIOGCL Head Office	5 th Floor, The Fourm G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.
Islamabad Office	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 SEPTEMBER 30, 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 September 30, 2023.

Key HSE Highlight:

With no recordable injuries reported, the Total Recordable Incident Rate (TRIR) for all sites stood at 0.

Key Financial Highlights:

- Consolidated net profit during the period under review was Rs. 17,082 million, resulting in Earnings Per Share (EPS) of Rs. 13.17 compared to net profit of Rs. 9,099 million and EPS of Rs. 7.01 during the same period last year. The increase in profit is mainly due to COD of TEL and TN, higher share of profit from associates and higher revenue due to depreciation of PKR against USD offset by higher finance cost due to higher interest rates.
- Unconsolidated net profit during the period under review was Rs. 4,046 million, resulting in EPS of Rs. 3.12 compared to net profit of Rs. 4,452 million and EPS of Rs. 3.43 during the same period last year. The decrease in unconsolidated profit is mainly due to higher finance costs due to higher interest rates and lower income from project management services to TEL / TN offset by higher revenue due to the depreciation of PKR against USD.

Key Operational Highlights:

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

- Power Generation and O&M**

Technical Parameters	Hub	Narowal	Laraib	CPHGC	TEL	TN
Net Electrical Output (GWh)	0	104	62	131	604	575
Load Factor (%)	0%	22%	34%	11%	91%	87%

- E&P Sector – PIOGCL**

In addition to production on one development well in Kadanwari Block, another development well was spud in September 2023 where drilling is in process. For the new exploration block South West Miano III, legal formalities are being finalized with DGPC before award of exploration license.

Growth Projects:

In line with our commitment to resolving water scarcity issue of Karachi, we continue to actively pursue the wastewater treatment plant project in SITE, which is currently going through a competitive bidding process by GoS.

We are also looking for opportunities in new areas of interest, including renewable energy and Electric Vehicles (EVs) value chain.

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



Muhamamd Kamran Kamal
Chief Executive Officer



M. Habibullah Khan
Chairman

Dated: October 25, 2023



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Turnover	5	9,846,876	17,416,700
Operating costs	6	(2,893,756)	(11,033,309)
GROSS PROFIT		6,953,120	6,383,391
General and administration expenses		(195,338)	(164,624)
Other income	7	87,241	616,723
Other operating expenses	8	-	(32,636)
PROFIT FROM OPERATIONS		6,845,023	6,802,854
Finance costs	9	(2,792,237)	(2,157,676)
PROFIT BEFORE TAXATION		4,052,786	4,645,178
Taxation		(5,823)	(193,343)
PROFIT FOR THE PERIOD		4,046,963	4,451,835
Basic and diluted earnings per share (Rupees)		3.12	3.43

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 FIRST QUARTER ENDED SEPTEMBER 30, 2023

	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Profit for the period	4,046,963	4,451,835
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	93,609	(325,836)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>4,140,572</u>	<u>4,125,999</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 FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Note	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	6,300,792	6,760,475
Intangibles		824	984
Long term investments	11	62,918,246	62,824,637
Long term loan to subsidiary		5,027,759	3,845,520
Long term deposits		13,309	13,309
		74,260,930	73,444,925
CURRENT ASSETS			
Stores, spares and consumables		799,452	850,082
Stock-in-trade		2,271,588	2,253,157
Trade debts	12	58,763,077	55,083,775
Loans and advances		84,049	49,639
Prepayments and other receivables	13	18,605,542	19,113,493
Cash and bank balances	14	766,317	1,027,440
		81,290,025	78,377,586
TOTAL ASSETS		155,550,955	151,822,511
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up		12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Unappropriated profit		47,024,334	42,883,762
		65,595,878	61,455,306
NON-CURRENT LIABILITIES			
Long term loans		13,563,330	14,796,137
Long term lease liabilities		167,491	172,553
		13,730,821	14,968,690
CURRENT LIABILITIES			
Trade and other payables	15	40,768,407	38,380,736
Unclaimed dividend		211,532	211,784
Unpaid dividend		114,237	128,810
Interest / mark-up accrued		1,166,140	1,303,649
Short term borrowings		27,914,144	26,419,966
Current maturity of long term loans		6,032,452	8,937,432
Current maturity of long term lease liabilities		17,344	16,138
		76,224,256	75,398,515
TOTAL EQUITY AND LIABILITIES		155,550,955	151,822,511
COMMITMENTS AND CONTINGENCIES			
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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 FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,052,786	4,645,178
Adjustments for:			
Depreciation		465,294	466,592
Amortisation		161	442
Gain on disposal of fixed assets		(2,671)	-
Provision against slow moving stores, spares and consumables		59,973	71,959
Staff gratuity		10,624	7,364
Interest income		(14,931)	(2)
Interest / mark-up expense		2,672,866	2,020,734
Mark-up on lease liabilities		5,991	6,332
Amortisation of transaction costs		11,446	19,284
Operating profit before working capital changes		7,261,539	7,237,883
Working capital changes		(2,064,406)	9,627,510
Cash generated from operations		5,197,133	16,865,393
Interest income received		14,931	1
Interest / mark-up paid		(2,810,375)	(1,988,184)
Staff gratuity paid		(25,000)	-
Taxes paid		(122,020)	(93,853)
Net cash generated from operating activities		2,254,669	14,783,357
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries		1,349,115	869,246
Fixed capital expenditure		(5,612)	(1,689)
Proceeds from disposal of fixed assets		2,671	-
Long term investments made		-	(1,862,535)
Long term loan to subsidiary - net		(1,182,239)	-
Long term deposits		-	(3,000)
Net cash generated / (used in) investing activities		163,935	(997,978)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(14,825)	(9,684)
Repayment of long term loans		(4,149,233)	(4,041,901)
Repayment of long term lease liabilities		(9,847)	(9,377)
Net cash used in financing activities		(4,173,905)	(4,060,962)
Net (decrease) / increase in cash and cash equivalents		(1,755,301)	9,724,417
Cash and cash equivalents at the beginning of the period		(19,392,526)	(25,781,476)
Cash and cash equivalents at the end of the period	18	(21,147,827)	(16,057,059)

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 FIRST QUARTER ENDED SEPTEMBER 30, 2023

	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
ISSUED CAPITAL		
Balance at the beginning and end of the period	12,971,544	12,971,544
SHARE PREMIUM		
Balance at the beginning and end of the period	5,600,000	5,600,000
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	42,883,762	42,916,580
Profit for the period	4,046,963	4,451,835
Other comprehensive income / (loss) for the period	93,609	(325,836)
Total comprehensive income for the period	4,140,572	4,125,999
Balance at the end of the period	47,024,334	47,042,579
TOTAL EQUITY	65,595,878	65,614,123

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 FIRST QUARTER ENDED SEPTEMBER 30, 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 Venture

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited condensed interim unconsolidated financial statements of the Company for the first quarter ended September 30, 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 Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2023.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim unconsolidated financial statements are same as those applied in preparing the unconsolidated financial statements for the year ended June 30, 2023.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2023. 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, 2023.

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
5. TURNOVER			
Capacity Purchase Price (CPP)		7,692,312	6,852,929
Energy Purchase Price (EPP)		-	9,683,818
Late Payment Interest (LPI)		2,154,564	1,669,109
Startup Charges (SC)		-	138,835
Part Load Adjustment Charges (PLAC)		-	454,481
		<u>9,846,876</u>	<u>18,799,172</u>
Less: Sales tax on EPP		-	(1,382,472)
		<u>9,846,876</u>	<u>17,416,700</u>

6. OPERATING COSTS

Fuel cost		-	8,914,490
Late payment interest to fuel supplier		1,357,986	636,222
Stores and spares		134,455	131,730
Operations and maintenance	6.1	42,500	27,373
Salaries, benefits and other allowances	6.2	130,074	140,845
Insurance		386,171	318,080
Depreciation		454,734	458,134
Amortisation		161	161
Repairs, maintenance and other costs		387,675	406,274
		<u>2,893,756</u>	<u>11,033,309</u>

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

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

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
7. OTHER INCOME			
Financial assets			
Interest income		14,931	2
Exchange gain		69,639	-
Non-financial assets			
Gain on disposal of fixed assets-net		2,671	-
Income from management services	7.1	-	616,721
		<u>2,671</u>	<u>616,721</u>
		<u>87,241</u>	<u>616,723</u>
7.1 Income from management services			
Services income		-	773,948
Cost of services		-	(157,227)
		<u>-</u>	<u>616,721</u>

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
8. OTHER OPERATING EXPENSES			
Workers' profit participation fund	8.1	-	30,836
Exchange loss		-	1,800
		-	32,636
8.1 Workers' profit participation fund			
Provision for Workers' profit participation fund		194,842	233,804
Workers' profit participation fund recoverable from CPPA(G)		(194,842)	(202,968)
		-	30,836
9. FINANCE COSTS			
Interest / mark-up on long term loans		1,340,519	1,216,001
Mark-up on long term lease liabilities		5,991	6,332
Mark-up on short term borrowings		1,332,347	804,733
Amortisation of transaction costs		11,446	19,284
Other finance costs		101,934	111,326
		2,792,237	2,157,676
10. PROPERTY, PLANT AND EQUIPMENT			
		Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
Operating fixed assets		6,033,595	6,493,278
Capital work-in-progress (CWIP)		267,197	267,197
		6,300,792	6,760,475
10.1 Additions to property, plant and equipment during the period were Rs. 5.6 million (Sep 2022: Rs. 1.6 million) and disposals there from at net book value were Rs. Nil (Sep 2022: Rs. Nil).			
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)		38,995,534	38,995,534
Narowal Energy Limited (NEL)		3,921,883	3,921,883
Thar Energy Limited (TEL)		11,973,816	11,973,816
		59,565,522	59,565,522
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		3,352,724	3,259,115
		62,918,246	62,824,637



	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
12. TRADE DEBTS		
Considered good - Secured		
Capacity Purchase Price (CPP)	32,113,878	26,527,204
Energy Purchase Price (EPP)	2,079,456	5,903,156
Late Payment Interest (LPI) 12.1	24,182,648	22,028,084
Startup Charges (SC)	123,018	138,835
Part Load Adjustment Charges (PLAC)	264,077	486,496
12.2	58,763,077	55,083,775

12.1 This includes Rs. 4,641 million (June 2023: Rs. 4,216 million) related to LPI which is not yet billed by the Company.

12.2 This includes an amount of Rs. 50,515 million (June 2023: Rs. 48,471 million) receivable from CPPA(G) which is overdue but not impaired because the trade debts are secured by a guarantee from the GOP under the Implementation Agreement (IA). The delay in payments from CPPA(G) carries mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		

Prepayments	126,754	20,740
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Other receivables

Income tax - Contractor tax refundable	372,469	372,469
Sales tax	8,293,855	7,629,713
Receivable from HPSL	244,873	169,434
Receivable from LEL	32,377	1,416,225
Receivable from HPHL	439,972	200,181
Receivable from NEL	-	34,994
Receivable from TEL	70,803	200,187
Receivable from TNPTL	51,049	99,572
Receivable from TEL against services agreement	2,412,906	2,427,028
Receivable from TNPTL against services agreement	2,276,764	2,441,416
Receivable from CPHO	-	10,972
Workers' profit participation fund recoverable from CPPA(G)	4,283,720	4,088,878
Miscellaneous	-	1,684
	18,478,788	19,092,753
	18,605,542	19,113,493

14. CASH AND BANK BALANCES

This includes an amount of Rs. 191 million (June 2023: Rs. Nil) in respect of cash margin kept with commercial banks.

15. TRADE AND OTHER PAYABLES

This includes Rs. 28,887 million (June 2023: Rs. 27,529 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 23,975 million (June 2023: Rs. 22,795 million).

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

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, 2023 except disclosed below.

16.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 282 million (June 2023: Rs. 257 million).

16.2 In September 2023 the Sindh Revenue Board ("SRB") issued demand of Rs. 1,935 million. This is based on SRB view that services provided by the Company to Thar Energy Limited and ThalNova Power Thar (Private) Limited were not exempted from 13% Sindh service tax under the exemption notification issued by the SRB. The Company is in process of filing appeal. Company's maximum exposure as at September 30, 2023 including the principal amount, penalty and default surcharge is approximately Rs 1,935 million.

17. RELATED PARTY TRANSACTIONS AND BALANCES

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

17.1 Details of transactions	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Subsidiaries			
Laraib Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		51,767	21,979
Receipts against reimbursement of expenses from subsidiary		86,500	51,298
Dividend received		1,349,115	869,246
Hub Power Holdings Limited			
Reimbursable expenses incurred on behalf of subsidiary		3,326	2,307
Interest income on loan to subsidiary	17.1.1	236,465	58,243
Receipts against interest on loan to subsidiary		-	28,805
Hub Power Services Limited			
Reimbursable expenses incurred on behalf of subsidiary		75,001	7,753
Reimbursable expenses incurred by subsidiary		391	1,908
Amount paid for O&M services rendered		46,941	42,090
Interest expense on loan from subsidiary	17.1.2	-	9,920
Payments against interest on loan from subsidiary		829	7,720

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Narowal Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		33,685	17,721
Reimbursable expenses incurred by subsidiary		92,629	-
Interest expense on loan from subsidiary	17.1.4	141,740	237,687
Payment against interest on loan from subsidiary		46,649	141,459
Thar Energy Limited			
Investment in subsidiary		-	1,862,536
Reimbursable expenses incurred on behalf of subsidiary		38,918	22,741
Receipts against reimbursement of expenses from subsidiary		168,302	34,263
Services rendered to subsidiary		-	329,614
Other related parties			
Services rendered to TNPTL		-	444,334
Reimbursable expenses incurred on behalf of TNPTL		21,823	6,601
Receipts against reimbursement of expenses from TNPTL		70,346	-
Receipts against services rendered to TNPTL		155,951	1,986,012
Remuneration to key management personnel			
Salaries, benefits and other allowances		40,472	23,887
Retirement benefits		1,954	4,262
	17.1.5 & 17.1.6	42,426	28,149
Directors' fee		1,550	1,650
Contribution to staff retirement benefit plans of the Company		3,429	2,326
Contribution to staff retirement benefit plans of HPSL		4,875	7,767
Contribution to staff retirement benefit plan of TEL		590	414
Contribution to staff retirement benefit plan of LEL		215	239
17.1.1	The Company has provided HPHL an unsecured loan facility for an amount of up to Rs. 8,000 million (2022: Rs. 3,000 million) up till the year ending June 2025, to meet its cash flow requirements, which carries markup at the rate of 0.7% per annum above one month KIBOR. The maximum aggregate amount outstanding at any time during the year was Rs. 5,208 million (Sep 2022 :Rs. 1,501 million).		
17.1.2	The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 500 million (2022: Rs. 500 million) from HPSL, to meet its working capital requirements. This facility carries mark-up 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. Nil (2022: 252 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 its working capital requirements, which carries markup at the rate of 0.4% per annum above one month KIBOR. Any late payment is subject to an additional payment of 1.00% per annum above the normal mark-up rate. The maximum aggregate amount outstanding at any time during the period was Rs. Nil (2022: Rs. Nil).		
17.1.4	The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 20,000 million (2022: Rs. 20,000 million) from NEL, to meet its working capital requirements. This facility carries mark-up at the rate of 0.40% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the year was Rs. 3,304 million (2022: Rs. 9,110 million).		

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. 23 million (2022: Rs. 7 million).

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

17.2	Details of outstanding balances Subsidiaries	Note	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
	Narowal Energy Limited			
	Loan from subsidiary	17.1.4	3,303,989	795,470
	Payable to subsidiary		119,041	-
	Other related parties			
	Payable to Hub Power Company Limited - Employees Gratuity Fund		16,807	31,183
	Payable to Hub Power Company Limited - Employees Pension Fund		2,433	1,184
	Payable to Hub Power Company Limited - Employees Provident Fund		54	187
			3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
18.	CASH AND CASH EQUIVALENTS			
	Cash and bank balances		766,317	5,595,332
	Short term borrowings		(21,914,144)	(21,652,391)
			(21,147,827)	(16,057,059)

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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



	Level 1	Level 2	Level 3 (Rs. '000s)	Total
September 2023				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,352,724	3,352,724
June 2023				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,259,115	3,259,115

20. PLANT CAPACITY AND PRODUCTION

HUB PLANT

	3 months ended Sep 2023	3 months ended Sep 2022
Theoretical Maximum Output	2,650 GWh	2,650 GWh
Total Output	0 GWh	203 GWh
Load Factor	0%	8%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,197 GWh (Sep 2022: 2,434 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

21. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on October 25, 2023 in accordance with the resolution of the Board of Directors.

22. SUBSEQUENT EVENT

- 22.1 The Board of Directors proposed final cash dividend for the year ended June 30, 2023 at Rs. 6.00 per share, amounting to Rs. 7,782.926 million, at their meeting held on September 12, 2023 and shareholders approved final cash dividend at the annual general meeting held on October 16, 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.
- 22.2 The Board of Directors declared an interim cash dividend for the year ending June 30, 2024 at Rs. 5.00 per share, amounting to Rs. 6,485.772 million, at their meeting held on October 25, 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.

23. GENERAL

Figures have been rounded off to the nearest thousand Pakistani 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 FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Turnover	5	33,729,891	29,589,832
Operating costs	6	(16,993,732)	(19,868,103)
GROSS PROFIT		16,736,159	9,721,729
General and administration expenses		(345,909)	(281,675)
Other income		280,850	412,284
Insurance claim against alternator damage and consequent loss of revenue		38,122	-
Other operating expenses	7	(150,137)	(32,636)
PROFIT FROM OPERATIONS		16,559,085	9,819,702
Finance costs	8	(7,068,648)	(2,334,117)
Share of profit from associates and joint venture - net	9	12,034,539	3,091,177
PROFIT BEFORE TAXATION		21,524,976	10,576,762
Taxation		(3,206,520)	(1,103,133)
PROFIT FOR THE PERIOD		18,318,456	9,473,629
Attributable to:			
- Owners of the holding company		17,081,937	9,098,807
- Non-controlling interest		1,236,519	374,822
		18,318,456	9,473,629
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		13.17	7.01

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 FIRST QUARTER ENDED SEPTEMBER 30, 2023

	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Profit for the period	18,318,456	9,473,629
Other comprehensive income 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	93,609	(325,836)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,412,065	9,147,793
Attributable to:		
- Owners of the holding company	17,175,546	8,772,971
- Non-controlling interest	1,236,519	374,822
	18,412,065	9,147,793

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 SEPTEMBER 30, 2023**

	Note	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	136,490,346	138,977,458
Intangibles		1,507,938	1,519,727
Long term investments	11	131,864,867	119,315,106
Long term deposits, prepayments and others		194,918	23,058
		270,058,069	259,835,349
CURRENT ASSETS			
Stores, spares and consumables		5,001,433	4,302,195
Stock-in-trade		4,540,814	3,223,473
Trade debts	12	103,588,011	86,751,480
Contract asset		7,434,053	14,817,054
Loans and advances		684,958	193,246
Prepayments and other receivables	13	21,976,845	20,889,084
Cash and bank balances		8,194,762	15,553,672
		151,420,876	145,730,204
TOTAL ASSETS		421,478,945	405,565,553
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		140,668,226	123,492,680
Attributable to owners of the holding company		159,239,770	142,064,224
NON-CONTROLLING INTEREST		17,208,413	15,971,894
		176,448,183	158,036,118
NON-CURRENT LIABILITIES			
Long term loans		102,344,858	104,945,305
Long term lease liabilities		616,804	1,064,463
Deferred taxation		21,003,721	17,915,726
		123,965,383	123,925,494
CURRENT LIABILITIES			
Trade and other payables	14	67,631,938	59,519,062
Unclaimed dividend		211,532	211,784
Unpaid dividend		158,574	601,632
Interest / mark-up accrued		4,922,364	6,824,158
Short term borrowings		30,107,303	32,142,495
Current maturity of long term loans		17,093,387	23,372,311
Current maturity of long term lease liabilities		940,281	932,499
		121,065,379	123,603,941
TOTAL EQUITY AND LIABILITIES		421,478,945	405,565,553
COMMITMENTS AND CONTINGENCIES			

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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 CASH FLOWS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		21,524,976	10,576,762
Adjustments for:			
Depreciation		1,916,947	1,263,025
Amortisation		11,925	643
Provision against slow moving stores, spares and consumables		68,333	82,738
Gain on disposal of fixed assets		(2,671)	141
Share of profit from associates and joint venture - net		(12,022,323)	(3,091,177)
Staff gratuity		20,551	16,427
Interest income		(177,823)	(70,620)
Interest / mark-up expense		6,721,655	2,190,991
Unrealized profit on management services to associate - TNPTL		(12,216)	144,610
Amortisation of transaction costs		179,947	24,224
Operating profit before working capital changes		<u>18,229,301</u>	<u>11,137,764</u>
Working capital changes		(4,027,034)	1,747,578
Cash generated from operations		<u>14,202,267</u>	<u>12,885,342</u>
Interest income received		167,954	22,263
Interest / mark-up paid		(8,616,327)	(1,834,360)
Staff gratuity paid		(45,771)	(719)
Taxes paid		(140,910)	(238,275)
Net cash generated from operating activities		<u>5,567,213</u>	<u>10,834,251</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(957,254)	(5,791,899)
Proceeds from disposal of fixed assets		2,671	725
Proceeds from disposal of short term investments		-	6,465,204
Long term investments made		(87,780)	-
Long term deposits and prepayments		(171,860)	977
Net cash (used in) / generated from investing activities		<u>(1,214,223)</u>	<u>675,007</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(14,825)	(9,684)
Dividends paid to NCI		(428,485)	(290,509)
Proceeds from long term loans - net		-	4,162,330
Proceeds from advance received against issue of shares to NCI		-	806,231
Repayment of long term loans		(8,795,425)	(4,958,534)
Repayment of liabilities against assets subject to finance lease		(437,973)	(319,810)
Shares issue costs		-	(2,136)
Net cash used in financing activities		<u>(9,676,708)</u>	<u>(612,112)</u>
Net (decrease) / increase in cash and cash equivalents		(5,323,718)	10,897,146
Cash and cash equivalents at the beginning of the period		(9,089,579)	(16,644,609)
Cash and cash equivalents at the end of the period	18	<u>(14,413,297)</u>	<u>(5,747,463)</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
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 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
SHARE PREMIUM		
Balance at the beginning of the period	5,600,000	5,600,000
UNAPPROPRIATED PROFIT		
Balance at the beginning of the period	123,492,680	96,162,151
Profit for the period	17,081,937	9,098,807
Share issue cost	-	(2,136)
Other comprehensive income for the period	93,609	(325,836)
Total comprehensive income for the period	17,175,546	8,770,835
Balance at the end of the period	140,668,226	104,932,986
Attributable to owners of the holding company	159,239,770	123,504,530
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	15,971,894	10,768,499
Investments made	-	806,231
Share issuance cost	-	(1,424)
Total comprehensive income for the period	1,236,519	374,822
Balance at the end of the period	17,208,413	11,948,128
TOTAL EQUITY	176,448,183	135,452,658

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 FIRST QUARTER ENDED SEPTEMBER 30, 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 Hub Power Company Limited (the holding company) and following subsidiaries, associates and joint ventures:

Subsidiaries

- 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) - ownership interest of 38.3% via HPHL.

Joint Ventures

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited condensed interim consolidated financial statements of the holding company for the first quarter ended September 30, 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, 2023.

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, 2023.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions. Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements are same as those applied in the holding company's annual consolidated financial statements for the year ended June 30, 2023. The Group's financial risk management objectives and policies are consistent with those disclosed in the holding company's annual audited consolidated financial statements for the year ended June 30, 2023.



	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
5. TURNOVER			
Capacity Purchase Price (CPP)		19,578,883	10,562,851
Energy Purchase Price (EPP)		16,067,689	18,766,151
Late Payment Interest (LPI)		3,068,709	2,203,839
Startup Charges (SC)		-	138,835
Part Load Adjustment Charges (PLAC)		-	454,481
		<u>38,715,281</u>	<u>32,126,157</u>
Less: Sales tax on EPP		(4,985,390)	(2,536,325)
		<u>33,729,891</u>	<u>29,589,832</u>
6. OPERATING COSTS			
Fuel cost		10,167,181	16,328,324
Late Payment Interest to fuel suppliers		1,724,020	636,222
Water use charges		188,461	63,574
Ash disposal		79,383	-
Salaries, benefits and other allowances		359,444	228,801
Stores and spares		362,826	248,028
Insurance		824,587	556,721
Depreciation		1,862,208	1,254,320
Amortisation		11,677	161
Repairs, maintenance and other costs		1,413,945	551,952
		<u>16,993,732</u>	<u>19,868,103</u>
7. OTHER OPERATING EXPENSES			
Exchange loss		150,137	1,800
Workers' profit participation fund		-	30,836
	7.1	<u>150,137</u>	<u>32,636</u>
7.1 Workers' profit participation fund			
Provision for Workers' profit participation fund		379,268	320,390
Workers' profit participation fund recoverable from CPPA(G)		(379,268)	(289,554)
		<u>-</u>	<u>30,836</u>
8. FINANCE COSTS			
Interest / mark-up on long term loans		5,203,029	1,491,968
Mark-up on short term borrowings		1,480,685	660,257
Mark-up on long term lease liabilities		37,941	38,851
Amortisation of transaction costs		179,947	24,224
Other finance costs		167,046	118,817
		<u>7,068,648</u>	<u>2,334,117</u>



	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET			
Associates			
- China Power Hub Generation Company (Private) Limited		10,349,414	2,959,129
- representing 47.5% equity shares		(326,824)	(93,446)
- obligation in respect of profit on shares related to GoB		10,022,590	2,865,683
- ThalNova Power Thar (Private) Limited		1,159,101	39,016
		11,181,691	2,904,699
Joint Ventures			
- Prime International Oil & Gas Company Limited		845,318	-
- China Power Hub Operating Company (Private) Limited (CPHO)		7,530	186,478
		12,034,539	3,091,177
		Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	10.1	135,242,175	137,895,469
Capital work-in-progress		1,248,171	1,081,989
		136,490,346	138,977,458
10.1 Additions to property, plant and equipment during the current period were Rs. 559 million (Sep 2022: Rs. 679 million) which includes Rs. 398 million exchange gain capitalized on foreign currency loans (Sep 2022: Rs. 670 million exchange loss), and disposals therefrom at net book value were Rs. Nil (Sep 2022: Rs. Nil).			
	Note	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
11. LONG TERM INVESTMENTS			
Investment in associates - unquoted			
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1	111,288,525	100,939,111
ThalNova Power Thar (Private) Limited (TNPTL)	11.2	10,502,749	9,248,899
Investment in joint ventures (under equity method) - unquoted			
- Prime International Oil and Gas Company Limited (Prime)	11.3	6,395,362	5,550,044
- China Power Hub Operating Company (Private) Limited (CPHO)	11.4	325,507	317,937
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)		3,352,724	3,259,115
		131,864,867	119,315,106



	Note	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
11.1 China Power Hub Generation Company (Private) Limited (CPHGC)			
Opening investment		100,939,111	71,686,226
Share of profit from associate		10,349,414	29,253,044
Share of other comprehensive income from associate		-	(159)
Closing balance		<u>111,288,525</u>	<u>100,939,111</u>
11.2 ThalNova Power Thar (Private) Limited (TNPTL)			
Opening investment		9,248,899	4,910,679
Investment during the period / year		87,780	2,773,762
Share of profit from associate		1,146,885	1,835,942
Adjustment of last year profit based on prior year audited financial statements		6,969	-
Realize / (unrealized) profit on services		12,216	(264,800)
Group's share in share issue cost		-	(6,684)
		<u>10,502,749</u>	<u>9,248,899</u>
11.3 Prime International Oil and Gas Company Limited (Prime)			
Opening investment		5,550,044	467,327
Investment during the period / year		-	120,528
Share of profit from joint venture		845,318	3,925,529
Share of other comprehensive income from joint venture		-	1,040,318
Share issuance costs		-	(3,658)
		<u>6,395,362</u>	<u>5,550,044</u>
11.4 China Power Hub Operating Company (Private) Limited (CPHO)			
Opening investment		317,937	112,634
Investment during the year		-	-
Share of profit / (loss) from joint venture		7,530	202,606
Adjustment for last year profit based on prior year audited financial statements		40	2,697
		<u>325,507</u>	<u>317,937</u>
12. TRADE DEBTS - Secured			
Considered good - Secured			
Capacity Purchase Price (CPP)		54,575,232	38,139,113
Energy Purchase Price (EPP)		19,636,980	21,282,169
Late Payment Interest (LPI)	12.1	28,979,193	26,696,990
Startup Charges (SC)		123,018	138,835
Part Load Adjustment Charges (PLAC)		264,077	486,496
Pass through item		9,511	7,877
	12.2	<u>103,588,011</u>	<u>86,751,480</u>
12.1 This also includes Rs. 5,347 million (June 2023: Rs. 5,879 million) related to LPI which is not yet billed by the Group.			



12.2 This includes an amount of Rs. 65,409 million (June 2023: Rs. 60,800 million) from CPPA(G) and Rs. 5,082 million (June 2023: Rs. 5,047 million) from NTDC which are overdue but not impaired because the trade debts are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreements (IA).

In case of HUBCO and TEL, 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 carries mark-up at a rate of three month KIBOR plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	358,109	331,390
Other receivables		
Interest accrued	26,846	-
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	10,963,391	10,332,995
Advance tax	67,385	45,000
Receivable from CPHGC	38,488	34,762
Receivable from Prime	8,205	7,663
Receivable from CPHO	127,861	103,804
Receivable from TNPTL	518,111	383,348
Receivable from TNPTL against services agreement	2,276,764	2,441,416
Workers' profit participation fund recoverable from CPPA(G)	6,387,698	6,008,430
Hub Power Services Limited - Provident Fund	316	316
Miscellaneous	831,202	827,491
	21,618,736	20,557,694
	21,976,845	20,889,084

14. TRADE AND OTHER PAYABLES

This includes Rs. 28,887 million (June 2023: Rs. 29,529 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 23,975 million (June 2023: Rs. 22,795 million).

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

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, 2023 except disclosed below.

In September 2023 the Sindh Revenue Board ("SRB") issued demand of Rs. 1,935 million. This is based on SRB view that services provided by the holding company to Thar Energy Limited and ThalNova Power Thar (Private) Limited were not exempted from 13% Sindh service tax under the exemption notification issued by the SRB. The holding company is in process of filing appeal. Holding company's maximum exposure as at September 30, 2023 including the principal amount, penalty and default surcharge is approximately Rs. 1,935 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, Laralab plant & Thar plant, operations and maintenance business and investments in CPHGC, TEL, TNPTL, SECMC, Prime and CPHO.

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

	3 months ended Sep 2023							Total
	Power Generation			Operations and Maintenance			Eliminations	
	Hub plant	Narowal plant	Laralab plant	Thar plant	Investments	Unallocated		Eliminations
	(Rs. '000s)							
Turnover	9,846,876	6,065,359	2,990,882	14,826,774	870,282	-	(870,282)	33,729,891
Operating costs	(2,893,756)	(4,139,267)	(475,855)	(9,654,594)	(575,095)	-	744,835	(16,993,732)
GROSS PROFIT	6,953,120	1,926,092	2,515,027	5,172,180	295,187	-	(125,447)	16,736,159
General and administration expenses	(195,338)	(25,881)	(52,527)	(38,443)	(83,250)	(28,271)	77,801	(345,909)
Other income	17,602	9,869	22,630	148,042	-	-	82,707	280,850
Insurance claim against alternator damage and consequent loss of revenue	-	38,122	-	-	-	-	-	38,122
Other operating expenses	69,639	-	(119,267)	(100,509)	-	-	-	(150,137)
PROFIT FROM OPERATIONS	6,845,023	1,948,202	2,365,863	5,181,270	211,937	(28,271)	35,061	16,559,085
Finance costs	(1,035,053)	(3,324)	(143,927)	(3,437,624)	-	(2,448,720)	-	(7,068,648)
Share of profit from associates	-	-	-	-	-	12,022,323	12,216	12,034,539
PROFIT BEFORE TAXATION	5,809,970	1,944,878	2,221,936	1,743,646	211,937	9,545,332	47,277	21,524,976
Taxation	(5,823)	(2,862)	(1,445)	(42,932)	(65,853)	(3,087,605)	-	(3,206,520)
PROFIT FOR THE PERIOD	5,804,147	1,942,016	2,220,491	1,700,714	146,084	6,457,727	47,277	18,318,456



3 months ended Sep 2022

	Power Generation			Operations and Maintenance		Investments	Unallocated	Eliminations	Total
	Hub plant	Narawal plant	Laraib plant	Thar plant	(Rs. '000s)				
Turnover	17,416,700	9,942,275	2,230,857	-	168,087	-	-	(168,087)	29,589,832
Operating costs	(11,033,309)	(8,148,316)	(725,848)	-	(63,032)	-	-	102,402	(19,868,103)
GROSS PROFIT	6,383,391	1,793,959	1,505,009	-	105,055	-	-	(65,685)	9,721,729
General and administration expenses	(164,624)	(20,402)	(19,967)	-	(26,740)	(33,488)	-	(16,454)	(281,675)
Other income	2	2,164	81,330	-	23,036	66,695	616,721	(377,664)	412,284
Other operating expenses	(1,800)	-	-	-	-	-	(30,836)	-	(32,636)
PROFIT FROM OPERATIONS	6,216,969	1,775,721	1,566,372	-	101,351	33,207	585,885	(459,803)	9,819,702
Finance costs	(229,577)	(44,008)	(144,593)	-	(102)	(2,270,775)	-	354,938	(2,334,117)
Share of loss from associates	-	-	-	-	-	3,091,177	-	-	3,091,177
PROFIT BEFORE TAXATION	5,987,392	1,731,713	1,421,779	-	101,249	853,609	585,885	(104,865)	10,576,762
Taxation	-	(628)	(5,474)	-	(34,668)	(869,020)	(193,343)	-	(1,103,133)
PROFIT FOR THE PERIOD	5,987,392	1,731,085	1,416,305	-	66,581	(15,411)	392,542	(104,865)	9,473,629

16.2 SEGMENT ASSETS & LIABILITIES

	Power Generation			Operations and Maintenance		Investments	Unallocated	Eliminations	Total
	Hub plant	Narawal plant	Laraib plant	Thar plant	(Rs. '000s)				
As at Sep 30, 2023									
Assets	93,694,250	36,719,784	28,641,553	144,614,484	1,104,332	133,745,256	59,111,706	(76,152,420)	421,478,945
Liabilities	70,359,295	6,631,040	5,727,274	115,957,208	802,194	57,553,011	-	(11,999,260)	245,030,762
As at Jun 30, 2023									
Assets	91,346,048	37,228,127	29,975,841	141,803,408	1,138,793	120,826,278	57,217,348	(73,970,290)	405,565,553
Liabilities	64,965,896	9,081,399	9,282,053	114,846,846	982,739	56,524,387	1,615,968	(9,769,853)	247,529,435



17. RELATED PARTY TRANSACTIONS AND BALANCES

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

17.1 Details of Transactions

	Note	3 months ended Sep 2023 (Rs. '000s)	3 months ended Sep 2022 (Rs. '000s)
Associates			
ThalNova Power Thar (Private) Limited (TNPTL)			
Reimbursable expenses incurred by the holding company		21,823	6,601
Reimbursable expenditure incurred on behalf of HPSL		87,971	-
Services rendered		514,054	520,972
Receipts against reimbursement of expenses from TNPTL		70,346	-
Receipts against services rendered to TNPTL		155,951	2,073,423
Allocation of staff salaries and benefits by TEL		32,334	8,056
Reimbursable expenses allocated by TEL		82,330	92,329
China Power Hub Generation Company (Private) Limited (CPHGC)			
Services rendered to CPHGC		99,639	27,081
Receipt against services rendered to CPHGC		-	32,657
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		54,756	36,980
Retirement benefits		3,047	5,301
	17.1.1	57,803	42,281
Directors' fee	17.1.2	1,750	2,000
Contribution to staff retirement benefit plans		52,287	21,018
Dividend paid to NCI - Coate & Co. Private Limited		428,425	276,077

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.

17.2 Details of Outstanding Balances

	Sep 2023 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
Associates		
ThalNova Power Thar (Private) Limited (TNPTL)		
Unearned income under management services	24,465	65,409
Payable to TNPTL	38,401	-
Other related parties		
Payable to staff retirement benefit plans	28,779	63,721



3 months ended
Sep 2023
(Rs. '000s)

3 months ended
Sep 2022
(Rs. '000s)

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	8,194,762	15,307,888
Short term borrowings	(22,608,059)	(21,055,351)
	(14,413,297)	(5,747,463)

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3 (Rs. '000s)	Total
Sep 2023				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,352,724	3,352,724
	-	-	3,352,724	3,352,724
June 2023				
Assets (Investment in SECMC)				
- At fair value through other comprehensive income	-	-	3,259,115	3,259,115
	-	-	3,259,115	3,259,115



	3 months ended Sep 2023	3 months ended Sep 2022
20. PLANT CAPACITY AND PRODUCTION		
<u>HUB PLANT</u>		
Theoretical Maximum Output	2,650 GWh	2,650 GWh
Total Output	0 GWh	203 GWh
Load Factor	0%	8%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,197 GWh (Sep 2022: 2,434 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Sep 2023	3 months ended Sep 2022
<u>NAROWAL PLANT</u>		
Theoretical Maximum Output	472 GWh	472 GWh
Total Output	104 GWh	208 GWh
Load Factor	22%	44%

Practical maximum output for the power plant, taking into account all the scheduled outages is 472 GWh (Sep 2022: 394 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Sep 2023	3 months ended Sep 2022
<u>LARAIB PLANT</u>		
Theoretical Maximum Output	185 GWh	185 GWh
Total Output	62 GWh	47 GWh
Load Factor	34%	25%

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

	3 months ended Sep 2023	3 months ended Sep 2022
<u>THAR PLANT</u>		
Theoretical Maximum Output	664 GWh	-
Total Output	604 GWh	-
Load Factor	91%	-

Practical maximum output for the power plant taking into account all the scheduled outages is 604 GWh (Sep 2022: Nil). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

21. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on October 25, 2023 in accordance with the resolution of the Board of Directors.



22. SUBSEQUENT EVENT

- 22.1 The Board of Directors of the holding company proposed final cash dividend for the year ended June 30, 2023 at Rs. 6.00 per share, amounting to Rs. 7,782.926 million, at their meeting held on September 12, 2023 and shareholders have approved final cash dividend at the annual general meeting held on October 16, 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.
- 22.2 The Board of Directors of the holding company declared an interim cash dividend for the year ending June 30, 2024 at Rs. 5.00 per share, amounting to Rs. 6,485.772 million, at their meeting held on October 25, 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. GENERAL

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

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

Muhammad Saqib
Chief Financial Officer

ڈائریکٹرز کا جائزہ

30 ستمبر، 2023 کو ختم ہونے والی سہ ماہی کے لئے مربوط اور غیر مربوط مالیاتی بیانات پر ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی مالی اور آپریشنل کارکردگی کا مختصر جائزہ پیش کرنے پر خوشی ہے۔

کلیدی ایچ ایس ای نمایاں:

کسی قابل ذکر چوٹ کی اطلاع نہ ہونے کی وجہ سے، تمام سائٹوں کے لئے کل ریکارڈ ایبل انسیدنٹ ریٹ (ٹی آر آئی آر) صفر رہا۔

اہم مالی جھلکیاں:

• اس عرصے کے دوران مجموعی خالص منافع 17,082 ملین روپے رہا جس کے نتیجے میں فی حصص آمدنی (ای پی ایس) 13.17 روپے رہی جبکہ گزشتہ سال کے اسی عرصے کے دوران خالص منافع 9,099 ملین روپے اور ای پی ایس 7.01 روپے تھا۔ منافع میں اضافے کی بنیادی وجہ ٹی ای ایل اور ٹی این کی سی او ڈی، ایسوسی ایٹس کی جانب سے منافع کا زیادہ حصہ اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے زیادہ آمدنی ہے۔

• اس عرصے کے دوران غیر مربوط خالص منافع 4,046 ملین روپے رہا جس کے نتیجے میں 3.12 روپے کا ای پی ایس ہوا جبکہ گزشتہ سال کے اسی عرصے کے دوران خالص منافع 4,452 ملین روپے اور ای پی ایس 3.43 ملین روپے تھا۔ غیر مستحکم منافع میں کمی کی بنیادی وجہ زیادہ شرح سود کی وجہ سے زیادہ فنانس اخراجات اور پروجیکٹ مینجمنٹ سروسز سے ٹی ای ایل / ٹی این کو کم آمدنی کی وجہ سے امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے زیادہ آمدنی ہے۔

اہم آپریشنل جھلکیاں:

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

• بجلی کی پیداوار اور او اینڈ ایم

تکنیکی پیرامیٹرز	حب	نارووال	لاریب	جی سی پی ایچ سی	ٹی ای ایل	ٹی این
نیٹ برقی اوٹ پٹ (جی ڈبلیو ایچ)	0	104	62	131	604	575
لوڈ فیکٹر (%)	0%	22%	34%	11%	91%	87%

• ای اینڈ پی سیکٹر - پی آئی او جی سی ایل

کدنواری بلاک میں ایک ترقیاتی کنویں پر پیداوار کے علاوہ، ستمبر 2023 میں ایک اور ترقیاتی کنواں اسپڈ کیا گیا تھا جہاں ڈرلنگ کا عمل جاری ہے۔ نئے ایکسپلوریشن بلاک ساؤتھ ویسٹ میانو تھری کے لیے ایکسپلوریشن لائسنس دینے سے قبل ڈی جی پی سی کے ساتھ قانونی ضابطوں کو حتمی شکل دی جا رہی ہے۔

ترقی کے منصوبے:

کراچی میں پانی کی قلت کے مسئلے کو حل کرنے کے اپنے عزم کے مطابق، ہم سائٹ میں ویسٹ واٹر ٹریٹمنٹ پلانٹ منصوبے کو فعال طور پر آگے بڑھا رہے ہیں، جو اس وقت جی او ایس کی جانب سے مسابقتی بولی کے عمل سے گزر رہا ہے۔

ہم قابل تجدید توانائی اور الیکٹرک وہیکلز (ای وی) ویلیو چین سمیت دلچسپی کے نئے شعبوں میں بھی مواقع تلاش کر رہے ہیں۔

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

بورڈ کے حکم سے

محمد حبیب اللہ خان
چیئرمین

کامران کمال
چیف ایگزیکٹو آفیسر