



The Hub Power Company Limited

Unaudited Financial Statements
for the 3rd Quarter Ended
March 31, 2024

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The Hub Power Company Limited

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Company Information

Board of Directors

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

Audit Committee

Manzoor Ahmed	Chairman
Farayha Sohail	Secretary
Saad Iqbal	Member
Aly Khan	Member
Dr. Nadeem Inayat	Member

Company Secretary

Faiza Kapadia Raffay

Leadership Team

Muhammad Kamran Kamal	Chairman
Kaleem Ullah Khan	Member & Secretary
Saleemullah Memon	Member
Muhammad Saqib	Member
Amjad Ali Raja	Member
Fayyaz Ahmad Bhatti	Member
Faiza Kapadia Raffay	Member

**Registered & Head
Office**

9th Floor, Ocean Tower
Block-9, Main Clifton Road, Karachi.
P.O. Box No. 13841, Karachi-75600
Email: Info@hubpower.com
Website: <http://www.hubpower.com>

Principal Bankers

Albaraka Bank Limited
Allied Bank of Pakistan
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Bank of Punjab
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 Kuwait Investment Company (Pvt.) Limited
Samba Bank Limited
Saudi Pak Industrial & Agricultural Investment Company Limited
Standard Chartered Bank (Pakistan) Ltd.
United Bank Limited

Inter-Creditor Agents

Habib Bank Limited
Allied Bank Limited

Legal Advisors	Syed Jamil Shah
Auditors	A.F. Ferguson & Co. Chartered Accountants
Registrar	FAMCO Share Registration Services (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 Plan	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
CPHGC Plant	Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan
PIOGCL Head Office	5 th Floor, The Forum G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.
Laraib Energy Limited (Subsidiary)	Office # 12, 2 nd Floor, Executive Complex, G-8, Markaz, Islamabad.

DIRECTORS' REVIEW

REPORT OF DIRECTORS ON THE CONSOLIDATED AND UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

The Board of Directors is pleased to present a concise overview of the financial and operational performance of the Company for the nine months period ended on March 31, 2024.

Key HSE Highlights:

- 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. 49,547 million, resulting in Earnings Per Share (EPS) of Rs. 38.20 compared to net profit of Rs. 33,647 million and EPS of Rs. 25.94 during the same period last year. The increase in profit is mainly due to entire period impact of COD of TEL and TN achieved in Oct 2022 and Feb 2023 respectively, higher share of profit from associates and higher revenue driven by depreciation of PKR against USD partly offset by higher finance cost due to higher interest rates.
- Unconsolidated net profit during the period under review was Rs. 21,958 million, resulting in EPS of Rs. 16.93 compared to net profit of Rs. 21,673 million and EPS of Rs. 16.71 during the same period last year. Marginal increase in unconsolidated profit is attributable to the fact that higher dividend income from investments was offset by higher finance cost due to increase in interest rates.

• Key Operational Highlights:

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

• Power Generation and O&M

Technical Parameter	Hub	NEL	LEL	CPHGC	TEL	TN
Net Electrical Output (GWh)	-	180	286	396	1,541	1,498

• E&P Sector – PLOGCL

In Bhadra area under Kirthar block, drilling operations are ongoing and expected to be completed in May 2024. The last two wells drilled in Kadanwari block have been successfully brought into production. Civil works have been completed and wellsite is ready for next Kadanwari well which will be drilled once rig is available after completing currently ongoing Bhadra well. For the new exploration block South West Miano III, legal formalities are being finalized with DGPC before award of exploration license.

Business Development:

- **Coal Mining – SECMC**

The Company has entered into a definitive agreement for the acquisition of shares in Sindh Engro Coal Mining Company Limited (SECMC). The completion of this proposed transaction is subject to necessary corporate and regulatory approvals, consents and other conditions on which discussion is underway with stakeholders of SECMC.

- **Growth Projects**

We are working on multiple renewable energy opportunities, including solar and wind-solar hybrid projects. RFPs have been initiated by K-Electric Limited and we are preparing proposals for bid submission.

We continue to explore opportunities in new areas of interest, including Battery Energy Storage Systems (BESS) as well as Electric Vehicles (EV) and their associated value chain.

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

By Order of the Board



Muhammad Kamran Kamal
Chief Executive Officer



M. Habibullah Khan
Chairman

Dated: April 29, 2024



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

		3 months ended Mar 2024 (Rs.'000s)	3 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
Turnover	5	10,758,690	9,238,772	30,668,887	35,070,246
Operating costs	6	(2,965,101)	(2,810,475)	(8,831,269)	(16,235,260)
GROSS PROFIT		7,793,589	6,428,297	21,837,618	18,834,986
General and administration expenses		(234,510)	(248,217)	(953,237)	(639,262)
Other income	7	2,604,270	1,529,506	9,884,864	10,366,416
Other Operating expenses	8	(43,884)	(87,996)	(167,593)	(534,041)
PROFIT FROM OPERATIONS		10,119,465	7,621,590	30,601,652	28,028,099
Finance costs	9	(2,676,917)	(1,572,333)	(8,226,358)	(5,975,291)
PROFIT BEFORE TAXATION		7,442,548	6,049,257	22,375,294	22,052,808
Taxation		(407,789)	(139,268)	(417,217)	(379,644)
PROFIT FOR THE PERIOD		7,034,759	5,909,989	21,958,077	21,673,164
Basic and diluted earnings per share (Rupees)		<u>5.42</u>	<u>4.56</u>	<u>16.93</u>	<u>16.71</u>

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


Chairman


Chief Executive



Chief Financial Officer




THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	3 months ended Mar 2024 (Rs.'000s)	3 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
Profit for the period	7,034,759	5,909,989	21,958,077	21,673,164
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	27,157	(28,687)	258,543	(229,576)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>7,061,916</u>	<u>5,881,302</u>	<u>22,216,620</u>	<u>21,443,588</u>

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


Chairman


Chief Executive


Chief Financial Officer



**THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

	Note	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	5,396,617	6,760,475
Intangibles		503	984
Long term investments	11	63,083,180	62,824,637
Long term loan to subsidiary	18.2	-	3,845,520
Long term deposits and prepayments		14,659	13,309
		<u>68,494,959</u>	<u>73,444,925</u>
CURRENT ASSETS			
Stores, spares and consumables		693,226	850,082
Stock-in-trade		2,264,255	2,253,157
Trade debts	12	65,971,897	55,083,775
Loans and advances	13	568,564	49,639
Prepayments and other receivables	14	18,006,911	19,113,493
Cash and bank balances		1,919,425	1,027,440
		<u>89,424,278</u>	<u>78,377,586</u>
TOTAL ASSETS		<u>157,919,237</u>	<u>151,822,511</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		<u>17,000,000</u>	<u>17,000,000</u>
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		45,643,066	42,883,762
		<u>64,214,610</u>	<u>61,455,306</u>
NON-CURRENT LIABILITIES			
Long term loans		11,035,939	14,796,137
Long term lease liabilities		157,127	172,553
		11,193,066	14,968,690
CURRENT LIABILITIES			
Trade and other payables	15	43,723,413	38,380,736
Unclaimed dividend		223,780	211,784
Unpaid dividend		943,643	128,810
Interest / mark-up accrued		917,945	1,303,649
Short term borrowings	16	31,720,280	26,419,966
Current maturity of long term loans		4,962,942	8,937,432
Current maturity of long term lease liabilities		19,558	16,138
		<u>82,511,561</u>	<u>75,398,515</u>
TOTAL EQUITY AND LIABILITIES		<u>157,919,237</u>	<u>151,822,511</u>
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The annexed notes from 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.


Chairman


Chief Executive


Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	Note	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		22,375,294	22,052,808
Adjustments for:			
Depreciation		1,396,505	1,404,835
Amortisation		480	1,189
Dividend income from subsidiaries and associates		(9,818,958)	(9,629,820)
Gain on disposal of fixed assets		(2,668)	(11,724)
Provision against slow moving stores, spares and consumables		179,919	215,877
Staff gratuity		31,873	21,572
Interest income		(63,238)	(27,319)
Interest / mark-up expense		7,861,129	5,514,670
Mark-up on lease liabilities		17,531	19,457
Amortisation of transaction costs		24,102	52,928
Operating profit before working capital changes		22,001,969	19,614,473
Working capital changes		(5,953,782)	12,605,529
Cash generated from operations		16,048,187	32,220,002
Interest income received		33,096	27,319
Interest / mark-up paid		(8,246,833)	(5,693,373)
Staff gratuity paid		(55,000)	(19,500)
Taxes paid		(271,361)	(447,794)
Net cash generated from operating activities		7,508,089	26,086,654
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries and associates		10,688,204	10,499,066
Fixed capital expenditure		(32,829)	(314,097)
Proceeds from disposal of fixed assets		2,851	11,817
Long term investments made		-	(2,316,351)
Long term deposits and prepayments		(1,350)	(4,800)
Short term investments redeemed		2,080,000	-
Short term investment made		(2,080,000)	-
Net cash generated from investing activities		10,656,876	7,875,635
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(18,630,487)	(27,276,150)
Proceeds from long term loans		-	2,268,301
Repayment of long term loans		(7,758,790)	(9,308,667)
Proceeds from privately placed Sukuk		6,000,000	-
Repayment of privately placed Sukuk		(6,000,000)	-
Long term loan obtained from / (given to) subsidiary		3,845,520	(646,284)
Repayment of long term lease liabilities		(29,537)	(28,567)
Net cash used in financing activities		(22,573,294)	(34,991,367)
Net decrease in cash and cash equivalents		(4,408,329)	(1,029,078)
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	19	(23,800,855)	(26,810,554)

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

Chairman

Chief Executive

Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	9 months ended Mar 2024 (Rs. '000s)	9 months ended Mar 2023 (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	42,883,762	42,916,580
Profit for the period	21,958,077	21,673,164
Other comprehensive income / (loss) for the period	258,543	(229,576)
Total comprehensive income for the period	22,216,620	21,443,588
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2022-23 @ Rs. 6.00 (2021-22 @ Rs. Nil) per share	(7,782,926)	-
First interim dividend for the fiscal year 2023-24 @ Rs. 5.00 (2022-23 @ Rs. 15.50) per share	(6,485,772)	(20,105,893)
Second Interim dividend for the fiscal year 2023-24 @ Rs. 4.00 (2022-23 @ Rs. 5.75) per share	(5,188,618)	(7,458,638)
	(19,457,316)	(27,564,531)
Balance at the end of the period	<u>45,643,066</u>	<u>36,795,637</u>
TOTAL EQUITY	<u>64,214,610</u>	<u>55,367,181</u>

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

Chairman

Chief Executive

Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

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, 2024 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, 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. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023.

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, 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 Mar 2024 (Rs.'000s)	3 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
5. TURNOVER					
Capacity Purchase Price (CPP)		8,201,546	7,471,617	23,579,313	21,178,337
Energy Purchase Price (EPP)		-	40,313	-	9,724,131
Late Payment Interest (LPI)		2,557,144	1,614,751	7,037,763	4,844,843
Startup Charges (SC)		-	-	51,811	136,106
Part Load Adjustment Charges (PLAC)		-	118,621	-	575,831
		<u>10,758,690</u>	<u>9,245,302</u>	<u>30,668,887</u>	<u>36,459,248</u>
Less: Sales tax on EPP		-	(6,530)	-	(1,389,002)
		<u>10,758,690</u>	<u>9,238,772</u>	<u>30,668,887</u>	<u>35,070,246</u>

6. OPERATING COSTS

Fuel cost		-	169,565	-	9,134,012
Late payment interest to fuel supplier		1,464,917	980,597	4,218,757	2,442,610
Stores and spares		105,799	110,327	327,364	390,947
Operations and maintenance	6.1	44,000	27,373	128,629	82,120
Salaries, benefits and other allowances	6.2	129,267	141,763	390,298	430,680
Insurance		384,322	488,232	1,153,083	1,131,562
Depreciation		453,425	457,021	1,362,926	1,372,850
Amortisation		161	161	482	482
Repairs, maintenance and other costs		383,210	435,436	1,249,730	1,249,997
		<u>2,965,101</u>	<u>2,810,475</u>	<u>8,831,269</u>	<u>16,235,260</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 2024 (Rs.'000s)	3 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
7. OTHER INCOME					
Financial assets					
Interest income		35,877	27,303	63,238	27,319
Dividend income from SECMC		232,794	-	232,794	-
		<u>268,671</u>	<u>27,303</u>	<u>296,032</u>	<u>27,319</u>
Non-financial assets					
Gain / (loss) on disposal of fixed assets - net		(3)	132	2,668	11,724
Dividend income from LEL		1,910,602	1,321,253	1,910,602	1,321,253
Dividend income from HPSL		425,000	250,000	675,000	465,000
Dividend income from NEL		-	-	7,000,562	7,843,567
Income from management services	7.1	-	(69,182)	-	697,553
		<u>2,335,599</u>	<u>1,502,203</u>	<u>9,588,832</u>	<u>10,339,097</u>
		<u>2,604,270</u>	<u>1,529,506</u>	<u>9,884,864</u>	<u>10,366,416</u>



		3 months ended Mar 2024 (Rs.'000s)	3 months ended Mar 2023 (Rs.'000s)	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
7.1	Income from management services				
	Services income	-	326,658	-	1,482,363
	Cost of services	-	(395,840)	-	(784,810)
		-	(69,182)	-	697,553
8.	OTHER OPERATING EXPENSES				
	Workers' profits participation fund	-	75,102	-	516,369
	Exchange loss	43,884	12,894	167,593	17,672
		43,884	87,996	167,593	534,041
8.1	WORKERS' PROFIT PARTICIPATION FUND				
	Provision for Workers' profit participation fund	243,708	306,216	627,817	1,128,459
	Workers' profit participation fund recoverable from CPPA(G)	(243,708)	(231,114)	(627,817)	(612,090)
		-	75,102	-	516,369
9.	FINANCE COSTS				
	Interest / mark-up on long term loans	986,798	1,146,939	3,470,072	3,586,570
	Mark-up on long term lease liabilities	5,675	8,910	17,531	19,457
	Mark-up on short term borrowings	1,599,611	315,278	4,391,057	1,928,100
	Amortisation of transaction costs	6,351	16,262	24,102	52,928
	Other finance costs	78,482	84,944	323,596	388,236
		2,676,917	1,572,333	8,226,358	5,975,291
10.	PROPERTY, PLANT AND EQUIPMENT		Note	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
	Operating fixed assets			5,116,891	6,493,278
	Capital work-in-progress (CWIP)			279,726	267,197
			10.1	5,396,617	6,760,475
10.1	Additions to property, plant and equipment during the period were Rs. 33 million (Mar 2023: Rs. 314 million) and disposals therefrom at net book value were Rs. 0.18 million (Mar 2023: Rs. 0.09 million).				
11.	LONG TERM INVESTMENTS		Note	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
	Investment in subsidiaries - unquoted				
	Laraib Energy Limited (LEL)		11.1	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)		11.2	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)			3,517,658	3,259,115
				63,083,180	62,824,637

- 11.1 The SBLC in respect of LEL's lenders for cost overruns and debt repayment which is required to be maintained till last repayment date of debt (expected in 2024) has been further extended till November 2024.
- 11.2 The Company has extended a guarantee (in the form of SBLC) for the benefit of TEL and Intercreditor Agent for an aggregate amount of USD 31 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date ("PCD"), and (c) COD undertakings till October 31, 2025.

	Note	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
12. TRADE DEBTS			
Considered good - secured			
Capacity Purchase Price (CPP)		40,853,157	26,527,204
Energy Purchase Price (EPP)		44,945	5,903,156
Late Payment Interest (LPI)	12.1	24,924,415	22,028,084
Startup Charges (SC)		51,811	138,835
Part Load Adjustment Charges (PLAC)		97,569	486,496
	12.2	<u>65,971,897</u>	<u>55,083,775</u>

- 12.1 This includes Rs. 6,551 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. 56,137 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.

13. LOANS AND ADVANCES

This includes loan given to NEL amounting Rs. 500 million.

	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
14. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	533,258	20,740
Other receivables		
Interest accrued	30,142	-
Income tax - Contractor tax refundable	372,469	372,469
Sales tax	7,828,441	7,629,713
Receivable from LEL	17,598	1,416,225
Receivable from HPHL	-	200,181
Receivable from HPSL	80,299	169,434
Receivable from NEL	16,909	34,994
Receivable from TEL	256,913	200,187
Receivable from TEL against services agreement	2,041,489	2,427,028
Receivable from TNPTL	77,038	99,572
Receivable from TNPTL against services agreement	2,035,660	2,441,416
Receivable from CPHO	-	10,972
Workers' profit participation fund recoverable from CPPA(G)	4,716,695	4,088,878
Miscellaneous	-	1,684
	<u>17,473,653</u>	<u>19,092,753</u>
	<u>18,006,911</u>	<u>19,113,493</u>

15. TRADE AND OTHER PAYABLES

This includes Rs. 31,747 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).

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. SHORT TERM BORROWINGS

This includes loan obtained from HPHL and HPSL amounting Rs. 2,507 million and Rs. 275 million respectively.

17. 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.

- 17.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 166 million (June 2023: Rs. 257 million).
- 17.2 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 TEL and TNPTL were not exempted from 13% Sindh Service Tax (SST) under the exemption notification issued by the SRB. The Company filed appeal with the Commissioner (Appeals) SRB which is pending adjudication. Upon application, the Sindh High Court (SHC) has granted stay against the recovery. The Company's maximum exposure as at March 31, 2023 including the principal amount, penalty and default surcharge is approximately Rs. 2,189 million. If the Company is required to pay this amount Rs. 1,394 million would be recovered from TEL under the contract.
- 17.3 In October 2023, the Federal Board of Revenue (FBR) issued an Order amounting to Rs. 888 million relating to fiscal year ended June 30, 2022 against the consolidated tax return filed by the Company alongwith its subsidiaries namely HPSSL and HPHL in accordance with the tax laws. The Order is based on FBR's view that adjustment of prior year's tax refund against current year tax liability was not in accordance with the provision of tax laws.
- The Company filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR-A] who remand back the case to FBR for reassessment of the case. The Company's maximum exposure as at March 31, 2024 including the principal amount, penalty and default surcharge is approximately Rs. 934 million.
- 17.4 In February 2024, FBR issued two notices requiring the Company to pay advance tax of Rs. 269 million for the quarter ended September 2023 and Rs. 269 million for quarter ended December 2023. Since the Company had already discharged the liability of advance tax based on group u/s 59AA (the Company, HPSSL, HPHL & NEL) as such both the notices have been challenged before SHC which is pending adjudication. The Company's maximum exposure as at March 31, 2024 including the principal amount, penalty and default surcharge is approximately Rs. 564 million.
- 17.5 In March 2024, FBR issued a show cause notice for payment of super tax amounting to Rs. 274 million (Notice) relating to fiscal year ended June 2023 against the consolidated tax return filed by the Company alongwith its subsidiaries namely HPSSL, HPHL and NEL in accordance with the tax law. The FBR was required not to take any action as the issue of super tax on dividend income had already been challenged before the Islamabad High Court which had granted a stay. The Company has no exposure as it has already provided the provision in the books.
- 17.6 With reference to the note 28.8 of the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023, in relation to the Arbitration proceedings for first fill charge between the Company and CPPA(G), the Arbitration was successfully concluded and the Arbitration Award was passed by the Tribunal in favour of the Company in November 2023. The Company has filed the Award to make it a Rule of Court. CPPA(G) has filed a suit before the Civil Magistrate, Islamabad contesting the award passed by the Arbitrator and filed its objections to the Award, both of which are being contested by the Company, on merits.
- 17.7 In December 2023, the Company received two (2) Show Cause Notices (SCNs) amounting to Rs. 702 million and Rs. 1,408 million respectively from the Baluchistan Revenue Authority (BRA) for the payment of Workers Welfare Fund under the Baluchistan Workers Welfare Fund Act, 2022. The show cause notices were challenged before the Baluchistan High Court (BHC) on grounds including contesting the vires of the Baluchistan law, along with stay application. While the petition is still pending, the stay has been rejected. The Company has challenged the impugned orders by the learned Single Bench of BHC at Quetta in relating to the subject SCNs before the Supreme Court of Pakistan (SCP). Meanwhile, one hearing has been held before the BRA who have asked for some additional information. The Company has informed BRA that the orders are challenged before the SCP. In case an adverse order and consequential demand is raised the same would be challenged before appellate forum which may require a deposit before granting interim relief against recovery.

The management and their tax and legal advisors 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 the resolution of the matters stated above, no provision has been made in these unconsolidated financial statements.

18. 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:

18.1 Details of transactions	Note	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
Subsidiaries			
Laraib Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		157,244	62,222
Receipts against reimbursement of expenses from subsidiary		206,756	48,096
Dividend received		3,259,717	2,190,499
Hub Power Holdings Limited			
Reimbursable expenses incurred on behalf of subsidiary		7,956	7,512
Receipts against reimbursement of expenses from subsidiary		20,013	-
Interest income on loan to subsidiary	18.1.1	436,512	240,020
Interest expense on loan from subsidiary	18.1.2	144,993	-
Receipts against interest on loan to subsidiary		640,222	166,686
Hub Power Services Limited			
Reimbursable expenses incurred on behalf of subsidiary		178,468	4,040
Receipts against reimbursement of expenses from subsidiary		276,199	-
Reimbursable expenses incurred by subsidiary		1,282	15,267
Amount paid for O&M services rendered		152,144	85,434
Dividend received		675,000	465,000
Interest expense on loan from subsidiary	18.1.3	10,817	21,921
Payments against interest on loan from subsidiary		829	20,383
Narowal Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		81,119	47,139
Receipts against reimbursement of expenses from subsidiary		154,506	-
Interest expense on loan from subsidiary	18.1.5	247,775	410,225
Payment against interest on loan from subsidiary		303,077	464,350
Dividend received		7,000,562	7,843,567

	Note	9 months ended Mar 2024 (Rs.'000s)	9 months ended Mar 2023 (Rs.'000s)
Thar Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		66,555	407,498
Receipts against reimbursement of expenses from subsidiary		-	191,235
Services rendered to subsidiary		-	515,096
Receipts against services rendered to subsidiary		306,452	821,254
Associates			
ThalNova Power Thar (Private) Limited			
Services rendered to associate		-	996,660
Reimbursable expenses incurred on behalf of associate		47,812	509,011
Receipts against services rendered to associate		322,656	1,986,012
Receipts against reimbursement of expenses from associate		70,346	74,164
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		115,747	126,460
Retirement benefits		5,864	5,236
	18.1.6 & 18.1.7	121,611	131,696
Directors' fee	18.1.8	6,300	5,750
Contribution to staff retirement benefit plans of the Company		65,080	18,196
Contribution to staff retirement benefit plan of HPSSL		53,926	19,968
Contribution to staff retirement benefit plan of TEL		590	965
Contribution to staff retirement benefit plan of LEL		515	543
18.1.1	The Company has provided HPHL an unsecured loan facility for an amount of up to Rs. 8,000 million (Mar 2023: 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 period was Rs. 5,471 million (Mar 2023: Rs. 2,752 million).		
18.1.2	During the period, the Company has obtained an unsecured short term loan facility for an amount of up to Rs. 4,000 million from HPHL, to meet its working capital requirements. This facility carries markup at the rate of 0.7% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the period was Rs. 2,576 million (Mar 2023: Rs. Nil).		
18.1.3	The Company has obtained an unsecured short term loan facility for an amount of up to Rs. 500 million from HPSSL, 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. Nil (Mar 2023: Rs. 252 million).		
18.1.4	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 2023: Rs. Nil).		
18.1.5	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. 4,185 million (Mar 2023: Rs. 9,110 million).		
18.1.6	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.		



18.1.7 The above figures do not include cost allocated to subsidiary companies amounting to Rs. 70 million (Mar 2023: Rs. 24 million).

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

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

18.2 Details of outstanding balances	Note	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
Subsidiaries			
Hub Power Holdings Limited			
Loan to subsidiary	18.1.1	-	3,845,520
Loan from subsidiary		2,507,251	-
Payable to subsidiary		160,580	-
Hub Power Services Limited			
Loan from subsidiary	18.1.2	274,920	283,053
Narowal Energy Limited			
Loan from subsidiary	18.1.4	500,000	795,470
Other related parties			
Payable to Hub Power Services Limited - Pension Fund		9,523	1,184
Payable to the Hub Power Company Limited - Gratuity Fund		8,056	31,183
Payable to the Hub Power Company Limited - Provident Fund		2,600	2,094
Payable to Laraib Energy Limited - Employees' Provident Fund		-	122
Payable to Laraib Energy Limited - Employees' Gratuity Fund		-	51
Payable to Thar Energy Limited - Employees' Provident Fund		-	130
		Mar 2023 (Rs.'000s)	Mar 2022 (Rs.'000s)
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,919,425	648,872
Running Finance		(25,720,280)	(27,459,426)
		(23,800,855)	(26,810,554)
20. FINANCIAL RISK MANAGEMENT			
Financial risk factors			
The Company's activities expose it to variety of financial risks namely market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.			
There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim unconsolidated financial statements do not include all the financial risk management information and disclosures required in the annual 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, 2024				
Investment in SECMC				
- At fair value through other comprehensive income	-	-	3,517,658	3,517,658

	Level 1	Level 2	Level 3	Total
	(Rs. '000s)			
June 30, 2023				
Investment in SECMC				
- At fair value through other comprehensive income	-	-	3,259,115	3,259,115
	3 months ended Mar 2024	3 months ended Mar 2023	9 months ended Mar 2024	9 months ended Mar 2023

21. PLANT CAPACITY AND PRODUCTION
HUB PLANT

Theoretical Maximum Output (GWh)	2,621	2,592	7,920	7,891
Total Output (GWh)	-	2	-	205
Load Factor (%)	-	0.08%	-	2.60%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,280 GWh (Mar 2023: 7,294 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

22. SUBSEQUENT EVENT

The Board of Directors of the Company declared an interim cash dividend for the year ending June 30, 2024 at Rs. 2.50 per share, amounting to Rs. 3,242.886 million, at their meeting held on April 29, 2024. 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. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on April 29, 2024 in accordance with the resolution of the Board of Directors.

24. GENERAL

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



Chairman



Chief Executive



Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	Note	3 months ended Mar 2024 (Rs. '000s)	3 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2024 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)
Turnover	5	31,791,032	27,230,964	95,434,269	81,917,968
Operating costs	6	(15,400,600)	(14,098,332)	(45,556,248)	(46,200,688)
GROSS PROFIT		<u>16,390,432</u>	<u>13,132,632</u>	<u>49,878,021</u>	<u>35,717,280</u>
General and administration expenses		(574,003)	(341,650)	(1,612,144)	(974,484)
Other income		777,818	(159,429)	1,959,153	747,850
Insurance claim against alternator damage and consequent loss of revenue		22,830	-	60,952	-
Other operating expenses	7	(49,890)	(78,281)	(361,769)	(521,323)
PROFIT FROM OPERATIONS		<u>16,567,186</u>	<u>12,553,272</u>	<u>49,924,213</u>	<u>34,969,323</u>
Finance costs	8	(6,596,989)	(4,717,765)	(20,643,004)	(11,839,581)
Share of profit from associates and joint venture - net	9	12,103,566	6,475,588	34,703,477	19,553,019
PROFIT BEFORE TAXATION		<u>22,073,763</u>	<u>14,311,095</u>	<u>63,984,686</u>	<u>42,682,761</u>
Taxation		(3,605,449)	(2,034,289)	(10,014,954)	(6,251,929)
		<u>18,468,314</u>	<u>12,276,806</u>	<u>53,969,732</u>	<u>36,430,832</u>
Attributable to:					
- Owners of the holding company		17,186,378	11,249,326	49,546,683	33,646,828
- Non-controlling interest		1,281,936	1,027,480	4,423,049	2,784,004
		<u>18,468,314</u>	<u>12,276,806</u>	<u>53,969,732</u>	<u>36,430,832</u>
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		<u>13.25</u>	<u>8.67</u>	<u>38.20</u>	<u>25.94</u>

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


Chairman


Chief Executive


Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	3 months ended Mar 2024 (Rs. '000s)	3 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2024 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)
Profit for the period	18,468,314	12,276,806	53,969,732	36,430,832
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	-	-	916	(109)
Share of gain on remeasurement of post employment benefit obligation of joint venture - net of tax	-	-	12,014	-
Share of loss on foreign currency translation reserve of joint venture - net of tax	-	-	(75,640)	-
(Loss) / gain on revaluation of equity investment at fair value through other comprehensive income	27,157	(28,687)	258,543	(229,576)
	27,157	(28,687)	195,833	(229,685)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,495,471	12,248,119	54,165,565	36,201,147
Attributable to:				
- Owners of the holding company	17,213,535	11,220,639	49,742,516	33,417,143
- Non-controlling interest	1,281,936	1,027,480	4,423,049	2,784,004
	18,495,471	12,248,119	54,165,565	36,201,147

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

Chairman

Chief Executive

Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

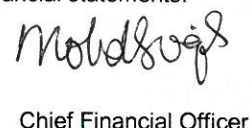
	Note	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	10	131,168,046	138,977,458
Intangibles		1,492,037	1,519,727
Long term investments	11	145,902,075	119,315,106
Long term deposits and prepayments		22,376	23,058
		278,584,534	259,835,349
CURRENT ASSETS			
Stores, spares and consumables		5,045,489	4,302,195
Stock-in-trade		4,656,946	3,223,473
Trade debts	12	104,425,020	86,751,480
Contract asset		9,311,546	14,817,054
Loans and advances		303,792	193,246
Prepayments and other receivables	13	23,692,045	20,889,084
Cash and bank balances		8,570,479	15,553,672
		156,005,317	145,730,204
TOTAL ASSETS		434,589,851	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		153,772,336	123,492,680
Attributable to owners of the holding company		172,343,880	142,064,224
NON-CONTROLLING INTEREST		19,756,383	15,971,894
		192,100,263	158,036,118
NON-CURRENT LIABILITIES			
Long term loans		91,680,298	104,945,305
Long term lease liabilities		157,127	1,064,463
Deferred taxation		26,117,303	17,915,726
		117,954,728	123,925,494
CURRENT LIABILITIES			
Trade and other payables	14	70,483,630	59,519,062
Unclaimed dividend		223,780	211,784
Unpaid dividend		975,365	601,632
Interest / mark-up accrued		3,898,529	6,824,158
Short term borrowings		31,254,151	32,142,495
Current maturity of long term loans		16,788,457	23,372,311
Current maturity of long term lease liabilities		910,948	932,499
		124,534,860	123,603,941
TOTAL EQUITY AND LIABILITIES		434,589,851	405,565,553
COMMITMENTS AND CONTINGENCIES			

15

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


Chairman


Chief Executive


Chief Financial Officer



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT CASH FLOWS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	Note	9 months ended Mar 2024 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		63,984,686	42,682,761
Adjustments for:			
Depreciation		5,655,889	5,544,653
Amortisation		30,930	20,041
Gain on disposal of fixed assets		(18,168)	(13,532)
Provision against slow moving stores, spares and consumables		189,550	248,216
Share of profit from associates - net		(34,703,477)	(19,553,019)
Staff gratuity		57,257	55,553
Interest income		(653,818)	(445,212)
Mark-up on lease liabilities		105,937	120,217
Interest / mark-up expense		19,373,267	10,835,933
Unrealized profit on management services to associate - TNPTL		(36,648)	211,456
Amortisation of transaction costs		479,502	338,309
Operating profit before working capital changes		54,464,907	40,045,376
Working capital changes		(8,465,887)	(6,916,864)
Cash generated from operations		45,999,020	33,128,512
Interest income received		593,934	433,572
Interest / mark-up paid		(22,404,833)	(10,999,680)
Staff gratuity paid		(93,297)	(15,338)
Taxes paid		(1,855,042)	(689,907)
Net cash generated from operating activities		22,239,782	21,857,159
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,559,393)	(8,997,474)
Proceeds from disposal of fixed assets		18,351	13,637
Short term investments redeemed		2,680,000	16,015,658
Short term investment made		(2,680,000)	(9,550,454)
Long term investments made		(87,780)	(1,668,883)
Dividend received from associate and joint venture		9,355,913	-
Long term deposits and prepayments		682	(1,123)
Net cash generated from / (used in) investing activities		7,727,773	(4,188,639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(18,630,487)	(27,276,150)
Dividends paid to non controlling interest		(1,079,660)	(710,145)
Proceeds from long term loans - net		-	11,789,400
Proceeds from privately placed Sukuk		6,000,000	-
Repayment of privately placed Sukuk		(6,000,000)	-
Repayment of long term loans		(16,870,013)	(11,958,850)
Proceeds from advance received against issue of shares to non-controlling interests		-	1,575,001
Repayment of long term lease liabilities		(981,488)	(699,621)
Share issue cost		-	(12,750)
Net cash used in from financing activities		(37,561,648)	(27,293,115)
Net decrease in cash and cash equivalents		(7,594,093)	(9,624,595)
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	(16,683,672)	(26,269,204)

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


Chairman


Chief Executive


Chief Financial Officer



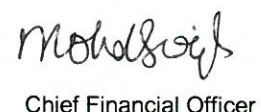
THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

	9 months ended Mar 2024 (Rs. '000s)	9 months ended Mar 2023 (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	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	123,492,680	82,255,366
Profit for the period	49,546,683	33,646,828
Other comprehensive income / (loss) for the period	195,833	(229,685)
Total comprehensive income for the period	49,742,516	33,417,143
Share issue cost	(5,544)	(1,130)
Transactions with owners in their capacity as owners		
Final dividend for the fiscal year 2022-23 @ Rs. 6.00 (2021-22 @ Rs. Nil) per share	(7,782,926)	-
First interim dividend for the fiscal year 2023-24 @ Rs. 5.00 (2022-23 @ Rs. 15.5) per share	(6,485,772)	(20,105,893)
Second Interim dividend for the fiscal year 2023-24 @ Rs. 4.00 (2022-23 @ Rs. 5.75) per share	(5,188,618)	(7,458,638)
	(19,457,316)	(27,564,531)
Balance at the end of the period	153,772,336	88,106,848
Attributable to owners of the holding company	172,343,880	106,678,392
NON-CONTROLLING INTEREST		
Balance at the beginning of the period	15,971,894	8,839,259
Total comprehensive income for the period	4,423,049	2,784,004
Dividend	(638,560)	(445,060)
Investment made	-	1,220,490
Share issue cost	-	(754)
Balance at the end of the period	19,756,383	12,397,939
TOTAL EQUITY	192,100,263	119,076,331

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


Chairman


Chief Executive


Chief Financial Officer



THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

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

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

Subsidiaries:

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

Associates:

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

Joint Ventures:

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

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the third quarter ended March 31, 2024 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. MATERIAL ACCOUNTING POLICIES INFORMATION

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 Group'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 Group's annual consolidated financial statements for the year ended June 30, 2023.

	3 months ended		3 months ended		9 months ended		9 months ended	
	Mar 2024	Mar 2023	Mar 2024	Mar 2023	Mar 2024	Mar 2023	Mar 2024	Mar 2023
	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)
5. TURNOVER								
Capacity Purchase Price (CPP)	18,950,572	16,764,404	56,903,617	42,575,789				
Energy Purchase Price (EPP)	9,789,392	8,869,252	32,508,109	36,734,741				
Late Payment Interest (LPI)	3,946,847	2,513,062	10,576,563	6,954,496				
Startup Charges (SC)	-	(2,729)	51,811	136,106				
Part Load Adjustment Charges (PLAC)	-	121,350	-	575,831				
	<u>32,686,811</u>	<u>28,265,339</u>	<u>100,040,100</u>	<u>86,976,963</u>				
Less: Sales tax on EPP	(895,779)	(1,034,375)	(4,605,831)	(5,058,995)				
	<u>31,791,032</u>	<u>27,230,964</u>	<u>95,434,269</u>	<u>81,917,968</u>				
6. OPERATING COSTS								
Fuel cost	8,224,020	7,854,876	25,398,063	31,538,709				
Late Payment Interest to fuel suppliers	2,451,972	980,597	6,077,410	2,442,610				
Water use charges	184,751	40,615	630,321	169,233				
Ash disposal	70,601	-	232,145	-				
Salaries, benefits and other allowances	343,408	398,413	1,095,556	920,199				
Stores and spares	200,899	333,448	962,327	775,299				
Insurance	880,905	1,126,348	2,441,656	2,363,578				
Depreciation	1,840,618	2,445,454	5,587,311	5,486,771				
Amortisation	11,643	9,256	30,189	18,672				
Repairs, maintenance and other costs	1,191,783	909,325	3,101,270	2,485,617				
	<u>15,400,600</u>	<u>14,098,332</u>	<u>45,556,248</u>	<u>46,200,688</u>				
7. OTHER OPERATING EXPENSES								
Workers' profits participation fund		75,102	-	516,369				
Exchange loss	49,890	3,179	361,769	4,954				
	<u>49,890</u>	<u>78,281</u>	<u>361,769</u>	<u>521,323</u>				
7.1 Provision for workers' profit participation fund	391,834	458,564	1,176,335	1,522,851				
Workers' profit participation fund recoverable from CPPA(G)	(391,834)	(383,462)	(1,176,335)	(1,006,482)				
	<u>-</u>	<u>75,102</u>	<u>-</u>	<u>516,369</u>				
8. FINANCE COSTS								
Interest / mark-up on long term loans	4,307,513	3,855,546	14,392,538	8,866,431				
Mark-up on short term borrowings	1,816,442	513,060	4,980,491	1,969,502				
Mark-up on long term lease liabilities	85,236	42,654	105,937	120,217				
Amortisation of transaction costs	162,397	130,856	479,502	338,309				
Other finance costs	225,401	175,649	684,536	545,122				
	<u>6,596,989</u>	<u>4,717,765</u>	<u>20,643,004</u>	<u>11,839,581</u>				



	3 months ended Mar 2024 (Rs. '000s)	3 months ended Mar 2023 (Rs. '000s)	9 months ended Mar 2024 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)
9. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURE - NET				
Associates				
China Power Hub Generation Company (Pvt) Limited				
- representing 47.5% (Mar 2023: 47.5%) equity shares	10,537,078	5,128,269	29,942,482	18,674,364
- obligation in respect of profit on shares related to GoB	(332,750)	(161,946)	(945,552)	(589,717)
	<u>10,204,328</u>	<u>4,966,323</u>	<u>28,996,930</u>	<u>18,084,647</u>
ThalNova Power Thar (Private) Limited	979,808	413,604	3,324,438	446,147
	<u>11,184,136</u>	<u>5,379,927</u>	<u>32,321,368</u>	<u>18,530,794</u>
Joint Ventures				
- Prime International Oil & Gas Company Limited	908,355	1,085,961	2,475,494	1,085,961
- China Power Hub Operating Company (Pvt) Limited	11,075	9,700	(93,385)	(63,736)
	<u>12,103,566</u>	<u>6,475,588</u>	<u>34,703,477</u>	<u>19,553,019</u>
			Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
10. PROPERTY, PLANT AND EQUIPMENT				
Operating property, plant and equipment			129,904,719	137,895,469
Capital work-in-progress			1,263,327	1,081,989
			<u>131,168,046</u>	<u>138,977,458</u>
11. LONG TERM INVESTMENTS				
Investment in associates - unquoted				
China Power Hub Generation Company (Private) Limited (CPHGC)	11.1		121,670,941	100,939,111
ThalNova Power Thar (Private) Limited (TNPTL)	11.2		12,692,221	9,248,899
			<u>134,363,162</u>	<u>110,188,010</u>
Investment in joint venture (under equity method) - unquoted				
- Prime International Oil and Gas Company Limited	11.3		7,796,703	5,550,044
- China Power Hub Operating Company (Private) Limited (CPHO)	11.4		224,552	317,937
Others - unquoted				
Equity investment at fair value through other comprehensive income				
- Sindh Engro Coal Mining Company Limited (SECMC)			3,517,658	3,259,115
			<u>145,902,075</u>	<u>119,315,106</u>
11.1 China Power Hub Generation Company (Private) Limited (CPHGC)				
Opening investment			100,939,111	71,686,226
Share of profit from associate			29,942,482	29,253,044
Share of other comprehensive income / (loss) from associate			1,261	(159)
Dividend received from associate			(9,211,913)	-
			<u>121,670,941</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			3,324,438	1,835,942
Unrealized profit on management services			36,648	(264,800)
Share issuance costs			(5,544)	(6,684)
			<u>12,692,221</u>	<u>9,248,899</u>



	Mar 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
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	2,475,494	3,925,529
Share of other comprehensive income from joint venture	(84,835)	1,040,318
Share issuance costs	-	(3,658)
Dividend received from joint venture	(144,000)	-
	<u>7,796,703</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 period / year	-	-
Share of (loss) / profit from joint venture	(93,385)	202,606
Adjustment for last year profit based on prior year audited financial statements	-	2,697
	<u>224,552</u>	<u>317,937</u>
12. TRADE DEBTS - secured		
Considered good - Secured		
Capacity Purchase Price (CPP)	60,258,692	38,139,113
Energy Purchase Price (EPP)	13,656,440	21,282,169
Late Payment Interest (LPI)	12.1 30,360,508	26,696,990
Startup Charges (SC)	51,811	138,835
Part Load Adjustment Charges (PLAC)	97,569	486,496
Pass through items (WPPF and taxes)	-	7,877
	12.2 <u>104,425,020</u>	<u>86,751,480</u>

12.1 This includes Rs. 7,515 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. 78,369 million (June 2023: Rs. 58,770 million) from CPPA(G) and Rs. 6,427 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 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 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
13. PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		962,914	-
Prepayments		728,856	331,390
Other receivables			
Interest accrued		203,144	-
Income tax - Contractor tax refundable		372,469	372,469
Sales tax		11,401,972	10,332,995
Advance tax		86,665	45,000
Receivable from Prime		2,847	7,663
Receivable from CPHGC		32,497	34,762
Receivable from CPHO		-	103,804
Receivable from TNPTL		583,550	383,348
Receivable from TNPTL against services agreement		2,035,660	2,441,416
Workers' profit participation fund recoverable from CPPA(G)	7	7,184,905	6,008,430
Hub Power Services Limited - Provident Fund		-	316
Miscellaneous		96,566	827,491
		22,000,275	20,557,694
		<u>23,692,045</u>	<u>20,889,084</u>

14. TRADE AND OTHER PAYABLES

This includes Rs. 31,747 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 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, 2023, 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. 166 million (June 2023: Rs. 257 million).

15.1.2 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 holding company to TEL and TNPTL were not exempted from 13% Sindh Service Tax (SST) under the exemption notification issued by the SRB. The holding company filed appeal with the Commissioner (Appeals) SRB which is pending adjudication. Upon application, the Sindh High Court (SHC) has granted stay against the recovery. The holding company's maximum exposure as at March 31, 2023 including the principal amount, penalty and default surcharge is approximately Rs. 2,189 million. If the holding company is required to pay this amount Rs. 1,394 million would be recovered from TEL under the contract.

15.1.3 In October 2023, the Federal Board of Revenue (FBR) issued an Order amounting to Rs. 888 million relating to fiscal year ended June 30, 2022 against the consolidated tax return filed by the holding company alongwith its subsidiaries namely HPSL and HPHL in accordance with the tax laws. The Order is based on FBR's view that adjustment of prior year's tax refund against current year tax liability was not in accordance with the provision of tax laws.

The holding company filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR-A] who remand back the case to FBR for reassessment of the case. The holding company's maximum exposure as at March 31, 2024 including the principal amount, penalty and default surcharge is approximately Rs. 934 million.

15.1.4 In February 2024, FBR issued two notices requiring the holding company to pay advance tax of Rs. 269 million for the quarter ended September 2023 and Rs. 269 million for quarter ended December 2023. Since the holding company had already discharged the liability of advance tax based on group u/s 59AA (the holding company, HPSL, HPHL & NEL) as such both the notices have been challenged before SHC which is pending adjudication. The holding company's maximum exposure as at March 31, 2024 including the principal amount, penalty and default surcharge is approximately Rs. 564 million.

15.1.5 In March 2024, FBR issued a show cause notice for payment of super tax amounting to Rs. 274 million (Notice) relating to fiscal year ended June 2023 against the consolidated tax return filed by the holding company alongwith its subsidiaries namely HPSL, HPHL and NEL in accordance with the tax law. The FBR was required not to take any action as the issue of super tax on dividend income had already been challenged before the Islamabad High Court which had granted a stay. The holding company has no exposure as it has already provided the provision in the books.

15.1.6 With reference to the note 32.8 of the annual audited consolidated financial statements of the holding company for the year ended June 30, 2023, in relation to the Arbitration proceedings for first fill charge between the holding company and CPPA(G), the Arbitration was successfully concluded and the Arbitration Award was passed by the Tribunal in favour of the holding company in November 2023. The holding company has filed the Award to make it a Rule of Court. CPPA(G) has filed a suit before the Civil Magistrate, Islamabad contesting the award passed by the Arbitrator and filed its objections to the Award, both of which are being contested by the holding company, on merits.

15.1.7 With reference to the note 32.8 of the annual audited consolidated financial statements of the holding company for the year ended June 30, 2023, in relation to the Arbitration proceedings for first fill charge between the holding company and CPPA(G), the Arbitration was successfully concluded and the Arbitration Award was passed by the Tribunal in favour of the holding company in November 2023. The holding company has filed the Award to make it a Rule of Court. CPPA(G) has filed a suit before the Civil Magistrate, Islamabad contesting the award passed by the Arbitrator and filed its objections to the Award, both of which are being contested by the holding company, on merits.

The management and their tax and legal advisors 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 the resolution of the matters stated above, no provision has been made in these consolidated financial statements.

15.2 In connection with the operations of HPHL:

15.2.1 During the period CPHGC, an Independent Power Producer (IPP) while paying the dividend has withheld advance income tax under the government policies and the law at the rate of tax on dividend payable by an IPP. However due to changes in law by the Finance Act 2019 & 2020 the FBR had opined that a new tax rate would be applicable. HPHL has filed a petition praying the Sindh High Court (SHC) to declare that the changes be declared illegal, unlawful, contrary to HPHL's vested rights as well as discriminatory. The petition is pending before the SHC. The HPHL's maximum exposure as at March 31, 2024 including the principal amount, penalty and default surcharge is approximately Rs. 691 million.

15.2.2 Super tax was introduced through the Finance Act 2022 on certain income including dividend income. However, recently the Islamabad High Court (IHC) had held that dividend income is exempt from the levy of super tax. The HPHL has filed a petition with the IHC seeking protection from the super tax on dividend income received from China Power Hub Generation Company (CPHGC). The petition is pending adjudication. The HPHL's maximum exposure as at March 31, 2024 including the principal amount, penalty and default surcharge is approximately Rs 921 million.

15.3 In connection with the operations of LEL:

15.3.1 As per terms of the LEL's Power Purchase Agreement (PPA), the Company is liable to pay the NTDC Liquidated Damages (LDs) for each KWh of Excess Outage Energy at the rate given in the PPA. During the year ended June 30 2017, LEL received an invoice of Rs. 214.58 million from the NTDC on account of LDs for the first Agreement Year under the PPA. However, LEL disputed this invoice on the basis that LDs charged by the NTDC are not in accordance with the provisions of the PPA. Accordingly, LEL issued an Invoice Dispute Notice to the NTDC for Rs. 201.15 million. As the parties were not able to amicably resolve this dispute, the matter was referred to Expert Mediation Proceedings in accordance with the provisions of the PPA.

The Expert issued his recommendations to the Parties on October 01 2020, wherein the Expert concluded that NTDC had rightly claimed LDs in the amount of Rs. 214.58 million and the dispute raised by LEL to the said claim is contractually untenable. The Expert's recommendations are non-binding on the Parties, as stated in the PPA, and LEL did not accept the Expert's recommendations and also challenged the adjustment of Rs. 276.28 million by NTDC as being illegal and contrary to the PPA. Accordingly, LEL initiated arbitration proceedings in accordance with sections 15.3(h) and 15.4 of the PPA under the Rules of Arbitration of the International Chamber of Commerce (ICC).

The arbitration proceedings have been completed and the Tribunal issued an award on March 5th, 2024 which held that the LEL prevails in these proceedings. As per the award, the Tribunal directed/ordered:

i. NTDC (acting through CPPA-G) to reverse the set-off/adjustment made against the invoices of LEL in an amount of Rs. 201 Million for liquidated damages;

ii. NTDC (acting through CPPA-G) to reverse the set-off/adjustment made against the invoices of LEL on all amounts exceeding Rs. 14 Million for delay payment interest;

iii. NTDC (acting through CPPA-G) to pay LEL (a) USD 181,812; (b) SGD 15,585 and (c) Rs. 15 Million; and

iv. That the recommendations of the Expert dated October 1st 2020 be set aside as being contrary to law and the terms of the LEL's PPA.

The next step is to begin the process of enforcement of the award. Under the laws of Pakistan, an arbitration award is legally enforceable only after it has been made a rule of the court. The said award will have to be filed in a court of competent jurisdiction in Pakistan to be made a rule of court. LEL is in the process of making this filing.

15.4 In connection with the operations of TEL:

15.4.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 7,147 million (Jun 2023: Rs. 6,061 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 2024									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	TEL plant					
(Rs. '000s)									
Turnover	10,758,690	4,601,365	2,679,176	13,751,801	749,998	-	-	(749,998)	31,791,032
Operating costs	(2,965,101)	(3,300,325)	(533,260)	(8,563,920)	(460,554)	-	-	422,560	(15,400,600)
GROSS PROFIT	7,793,589	1,301,040	2,145,916	5,187,881	289,444	-	-	(327,438)	16,390,432
General and administration expenses	(234,510)	(29,624)	(34,856)	(38,511)	(75,319)	(55,977)	-	(105,206)	(574,003)
Other income	268,686	4,557	81,926	141,505	10,817	18,593	2,335,584	(2,083,850)	777,818
Insurance claim against alternator damage and consequent loss of revenue	-	22,830	-	-	-	-	-	-	22,830
Other operating expenses	(43,884)	-	(17,494)	-	-	-	-	11,487	(49,890)
PROFIT FROM OPERATIONS	7,783,882	1,298,803	2,175,492	5,290,875	224,942	(37,384)	2,335,584	(2,505,007)	16,567,186
Finance costs	(1,299,106)	(234,204)	(108,745)	(3,302,692)	(238)	(1,662,821)	-	10,817	(6,596,989)
Share of profit from associates - net	-	-	-	-	-	12,091,350	-	12,216	12,103,566
PROFIT BEFORE TAXATION	6,484,776	1,064,599	2,066,747	1,988,183	224,704	10,391,145	2,335,584	(2,481,974)	22,073,763
Taxation	(73,437)	(1,329)	(21,314)	(64,296)	(82,658)	(3,028,063)	(334,352)	-	(3,605,449)
PROFIT FOR THE YEAR	6,411,338	1,063,270	2,045,433	1,923,887	142,046	7,363,082	2,001,232	(2,481,974)	18,468,314

3 months ended Mar 2023									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	TEL plant					
(Rs. '000s)									
Turnover	9,238,772	4,562,378	2,098,047	11,331,767	576,024	-	-	(576,024)	27,230,964
Operating costs	(2,810,475)	(3,267,989)	(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)	(22,180)	(26,654)	(20,517)	(81,427)	(23,828)	-	81,173	(341,650)
Other income	(233,321)	1,129	192,359	196,668	30,304	-	1,762,827	(2,109,395)	(159,429)
Other operating expenses	6,399	-	-	-	-	-	(84,680)	-	(78,281)
PROFIT FROM OPERATIONS	5,953,158	1,273,338	1,259,011	4,462,120	202,755	(23,828)	1,678,147	(2,251,429)	12,553,272
Finance costs	(57,766)	(182,993)	(148,449)	(2,553,588)	-	(1,787,338)	-	12,369	(4,717,765)
Share of profit from associates and joint venture - net	-	-	-	-	-	6,475,588	-	-	6,475,588
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)	(1,788,017)	(110,526)	-	(2,034,289)
PROFIT FOR THE YEAR	5,866,650	1,090,100	1,098,985	1,880,462	135,643	2,876,405	1,567,621	(2,239,060)	12,276,806

9 months ended Mar 2024									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	TEL plant					
	(Rs. '000s)								
Turnover	30,668,887	12,500,803	8,277,205	43,987,374	3,075,808	-	-	(3,075,808)	95,434,269
Operating costs	(8,831,269)	(8,583,610)	(1,514,513)	(26,871,550)	(1,694,381)	-	-	1,939,075	(45,556,248)
GROSS PROFIT	21,837,618	3,917,193	6,762,692	17,115,824	1,381,427	-	-	(1,136,733)	49,878,021
General and administration expenses	(953,237)	(83,671)	(132,558)	(93,912)	(243,891)	(112,905)	-	8,030	(1,612,144)
Other income	298,718	23,500	142,420	408,939	30,378	35,342	9,586,146	(8,566,289)	1,959,153
Insurance claim against alternator damage and consequent loss of revenue	-	60,952	-	-	-	-	-	-	60,952
Other operating expenses	(167,593)	-	(194,177)	-	-	-	-	-	(361,769)
PROFIT FROM OPERATIONS	21,015,507	3,917,974	6,578,377	17,430,851	1,167,914	(77,563)	9,586,146	(9,694,993)	49,924,213
Finance costs	(3,508,216)	(321,578)	(410,635)	(10,058,817)	(238)	(6,354,337)	-	10,817	(20,643,004)
Share of profit from associates - net	-	-	-	-	-	34,666,829	-	36,648	34,703,477
PROFIT BEFORE TAXATION	17,507,291	3,596,396	6,167,742	7,372,034	1,167,676	28,234,929	9,586,146	(9,647,528)	63,984,686
Taxation	(82,865)	(6,654)	(33,739)	(155,832)	(459,509)	-8,942,003	(334,352)	-	(10,014,954)
PROFIT FOR THE YEAR	17,424,425	3,589,742	6,134,003	7,216,202	708,167	19,292,926	9,251,794	(9,647,528)	53,969,732

9 months ended Mar 2023									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	TEL plant					
	(Rs. '000s)								
Turnover	35,070,246	16,224,212	6,334,658	24,288,852	1,268,771	-	-	(1,268,771)	81,917,968
Operating costs	(16,235,260)	(12,563,307)	(2,186,080)	(15,307,889)	(510,375)	-	-	602,223	(46,200,688)
GROSS PROFIT	18,834,986	3,660,905	4,148,578	8,980,963	758,396	-	-	(666,548)	35,717,280
General and administration expenses	(639,262)	(66,789)	(73,365)	(106,600)	(122,517)	(70,212)	-	104,261	(974,484)
Other income	113,011	5,641	310,513	310,577	56,083	-	10,253,405	(10,301,380)	747,850
Other operating expenses	4,624	-	-	-	-	-	(525,947)	-	(521,323)
PROFIT FROM OPERATIONS	18,313,359	3,599,757	4,385,726	9,184,940	691,962	(70,212)	9,727,458	(10,863,667)	34,969,323
Finance costs	(754,212)	(260,761)	(443,179)	(4,636,094)	(147)	(6,115,238)	-	370,050	(11,839,581)
Share of profit from associates and joint venture - net	-	-	-	-	-	19,553,019	-	-	19,553,019
PROFIT BEFORE TAXATION	17,559,147	3,338,996	3,942,547	4,548,846	691,815	13,367,569	9,727,458	(10,493,617)	42,682,761
Taxation	(28,748)	(1,549)	(22,530)	(43,746)	(225,728)	(5,578,732)	(350,896)	-	(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	(10,493,617)	36,430,832

16.2 SEGMENT ASSETS & LIABILITIES

As at Mar 31, 2024									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
Assets	90,278,722	30,425,309	28,511,429	139,967,749	1,139,949	150,121,160	64,122,857	(69,977,324)	434,589,851
Liabilities	73,692,717	5,689,404	4,232,778	105,794,985	950,728	53,831,452	4,013,029	(5,715,505)	242,489,588

As at June 30, 2023									
	Power Generation				Operations and Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	Thar plant					
	(Rs. '000s)								
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 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 2024 (Rs. '000s)	9 months ended Mar 2023 (Rs. '000s)
17.1 Details of Transactions			
Associates			
Services rendered to CPHGC		90,564	44,788
Receipt against services agreement from CPHGC		87,765	76,062
Reimbursable expenses incurred on behalf of TNPTL		95,359	228,456
Receipt against reimbursement of expenses from TNPTL		125,066	-
Services rendered to TNPTL		1,546,612	1,698,157
Receipt against services agreement from TNPTL		2,086,165	-
Services rendered to CPHO		860,418	-
Receipts against services rendered to CPHO		860,418	-
Other related parties			
Remuneration to key management personnel			
Salaries, benefits and other allowances		158,114	120,191
Retirement benefits		9,734	3,722
	17.1.1	167,848	123,913
Directors' fee	17.1.2	9,375	5,325
Proceeds from disposals of assets		-	725
Contribution to staff retirement benefit plans		134,305	86,141
Dividend paid to NCI - Coate & Co. Private Limited		1,035,241	695,713

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 2024 (Rs. '000s) (Unaudited)	Jun 2023 (Rs. '000s) (Audited)
17.2 Details of Balances		
Associate		
ThalNova Power Thar (Private) Limited		
Unearned income	59,022	156,501
Other related parties		
Payable to staff retirement benefit plans	27,067	8,770



Mar 2024 **Mar 2023**
(Rs. '000s) (Rs. '000s)

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	8,570,479	6,650,913
Running finance	(25,254,151)	(32,920,117)
	(16,683,672)	(26,269,204)

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 2024

Investment in SECMC

- At fair value through other comprehensive income	-	-	3,517,658	3,517,658
	-	-	3,517,658	3,517,658

June 2023

Investment in SECMC

- At fair value through other comprehensive income	-	-	3,259,115	3,259,115
	-	-	3,259,115	3,259,115

20. PLANT CAPACITY AND PRODUCTION

	3 months ended Mar 2024	3 months ended Mar 2023	9 months ended Mar 2024	9 months ended Mar 2023
<u>HUB PLANT</u>				
Theoretical Maximum Output (GWh)	2,621	2,592	7,920	7,891
Output produced (GWh)	-	2	-	205
Load Factor	0.00%	0.08%	0.00%	2.60%

Practical maximum output for the power plant taking into account all the scheduled outages is 7,280 GWh (Mar 2023: 7,294 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Mar 2024	3 months ended Mar 2023	9 months ended Mar 2024	9 months ended Mar 2023
<u>NAROWAL PLANT</u>				
Theoretical Maximum Output (GWh)	467	462	1,411	1,406
Output produced (GWh)	69	44	180	634
Load Factor	15%	10%	13%	45%

Practical maximum output for the Power Plant, taking into account all the scheduled outages is 1,395 GWh (Mar 2023: 1,353 GWh). Output produced by the Plant is dependent on the load demanded by CPPA(G) and the plant availability.

	3 months ended Mar 2024	3 months ended Mar 2023	9 months ended Mar 2024	9 months ended Mar 2023
<u>LARAIB PLANT</u>				
Theoretical Maximum Output (GWh)	183	181	554	552
Total Output (GWh)	95	73	286	224
Load Factor	52%	40%	52%	41%

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

	3 months ended Mar 2024	3 months ended Mar 2023	9 months ended Mar 2024	9 months ended Mar 2023
<u>TEL PLANT</u>				
Theoretical Maximum Output (GWh)	657	663	1,985	1,312
Total Output (GWh)	368	163	1,541	685
Load Factor	56%	25%	78%	52%

Practical maximum output for the power plant, taking into account all the scheduled outages is 1,815 GWh (Mar 2023: 663 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, 2024 of Rs. 2.50 per share, amounting to Rs. 3,242.886 million, at their meeting held on April 29, 2024. 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. REPRESENTATION / RECLASSIFICATION


Certain prior year figures have been represented / re-classified to reflect a more appropriate presentation of events and transactions for the purpose of consistency.

23. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on April 29, 2024 in accordance with the resolution of the Board of Directors.

24. GENERAL

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



Chairman



Chief Executive



Chief Financial Officer

ڈائریکٹرز کا جائزہ

31 مارچ، 2024 کو ختم ہونے والے نو ماہ کی مدت کے لئے مربوط اور غیر مربوط مالیاتی بیانات پر ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کو 31 مارچ 2024 کو ختم ہونے والی نو ماہ کی مدت کے لئے کمپنی کی مالی اور آپریشنل کارکردگی کا ایک مختصر جائزہ پیش کرنے پر خوشی ہے۔

کلیدی ایچ ایس ای کی جھلکیاں:

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

اہم مالی جھلکیاں:

• اس عرصے کے دوران مجموعی خالص منافع 49,547 ملین روپے رہا جس کے نتیجے میں فی حصص آمدنی (ای پی ایس) 38.20 روپے رہی جبکہ گزشتہ سال کے اسی عرصے کے دوران خالص منافع 33,647 ملین روپے اور ای پی ایس 25.94 ملین روپے تھا۔ منافع میں اضافے کی بنیادی وجہ اکتوبر 2022 اور فروری 2023 میں بالترتیب ٹی ای ایل اور ٹی این کی سی او ڈی کے پورے عرصے کے اثرات، ایسوسی ایٹس کی جانب سے منافع کا زیادہ حصہ اور امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے زیادہ آمدنی ہے۔

• اس عرصے کے دوران غیر مربوط خالص منافع 21,958 ملین روپے رہا جس کے نتیجے میں 16.93 ملین روپے کا ای پی ایس ہوا جبکہ گزشتہ سال کے اسی عرصے کے دوران خالص منافع 21,673 ملین روپے اور ای پی ایس 16.71 ملین روپے تھا۔ غیر مستحکم منافع میں معمولی اضافہ اس حقیقت کی وجہ سے ہے کہ سرمایہ کاری سے زیادہ منافع کی آمدنی سود کی شرح میں اضافے کی وجہ سے زیادہ مالی لاگت کی وجہ سے ختم کردی گئی تھی۔

• 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	سی پی ایچ جی سی	ٹی ای ایل	ٹی این
نیٹ برقی اوٹ پٹ (جی ڈبلیو ایچ)	0	180	286	396	1,541	1,498

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

کیرتھر بلاک کے تحت بھدرا علاقے میں ٹرلنگ کا کام جاری ہے اور مئی 2024 میں مکمل ہونے کی توقع ہے۔ کدنواری بلاک میں کھودے گئے آخری دو کنوؤں کو کامیابی کے ساتھ پیداوار میں لایا گیا ہے۔ سول کام مکمل ہو چکے ہیں اور اگلے کدنواری کنویں کے لئے کنویں کی جگہ تیار ہے جس کی کھدائی اس وقت جاری بھدرا کنویں کو مکمل کرنے کے بعد رگ دستیاب ہونے کے بعد کی جائے گی۔ 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۔

کاروبار کی ترقی:

• کوئلے کی کان کنی - ایس ای سی ایم سی

کمپنی نے سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) میں حصص کے حصول کے لیے حتمی معاہدہ کیا ہے۔ اس مجوزہ ٹرانزیکشن کی تکمیل ضروری کارپوریٹ اور ریگولیٹری منظوریوں، رضامندی اور دیگر شرائط سے مشروط ہے جس پر ایس ای سی ایم سی کے اسٹیک ہولڈرز کے ساتھ بات چیت جاری ہے۔

• ترقی کے منصوبے

ہم شمسی اور ہوا شمسی ہائبرڈ منصوبوں سمیت متعدد قابل تجدید توانائی کے مواقع پر کام کر رہے ہیں۔ کے الیکٹرک لمیٹڈ کی جانب سے آر ایف پیز کا آغاز کیا گیا ہے اور ہم بولی جمع کرانے کے لیے تجاویز تیار کر رہے ہیں۔

ہم بیٹری انرجی اسٹوریج سسٹم (پی ای ایس ایس) کے ساتھ ساتھ الیکٹرک وہیکلز (ای وی) اور ان سے وابستہ ویلیو چین سمیت دلچسپی کے نئے شعبوں میں مواقع تلاش کرنا جاری رکھے ہوئے ہیں۔

کمپنی اپنے شیئر ہولڈرز، ملازمین، کاروباری شراکت داروں اور تمام اسٹیک ہولڈرز کی شکر گزار ہے جنہوں نے پائیداری سے 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

29 اپریل 2024