



The Hub Power Company Limited

Unaudited Financial Statements
for the First Quarter ended
September 30, 2016

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Company Information

Board of Directors

Hussain Dawood	Chairman
Khalid Mansoor	Chief Executive
Andalib Alavi	
Syed Muhammad Ali	
Iqbal Alimohamed	
Abdul Samad Dawood	
Shahzada Dawood	
Shahid Ghaffar	
Qaiser Javed	
Noor Muhammad Jomezai	GOB Nominee
Ruhail Mohammed	
Muhammad Waseem Mukhtar	
Owais Shahid	
Syed Khalid Siraj Subhani	

Audit Committee

Iqbal Alimohamed	Chairman
Andalib Alavi	
Shahid Ghaffar	
Qaiser Javed	
Noor Muhammad Jomezai	
Owais Shahid	
Ruhail Mohammed	

Company Secretary

Shamsul Islam

Management Committee

Khalid Mansoor
Tahir Jawaid
Abdul Nasir
Nazoor Baig
Syed Hasnain Haider
Saleemullah Memon
Shamsul Islam
Mohammad Kaleem Khan
M. Inam Ur Rehman Siddiqui

Registered & Head Office

11th 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
Burj Bank Limited
Citibank N.A. Pakistan
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China

	MCB Bank Limited
	Meezan Bank Limited
	National Bank of Pakistan
	NIB Bank Limited
	Pak Brunei Investment Company Limited
	Pak China Investment Company Limited
	Pak Kuwait Investment Company (Pvt) Ltd.
	Samba Bank Limited
	Standard Chartered Bank (Pakistan) Ltd.
	Sumitomo Mitsui Banking Corp. Europe Ltd, London
	United Bank Limited
Inter-Creditor Agents	Habib Bank Limited
	Allied Bank Limited
	NIB Bank Limited
Legal Advisors	RIAA Barker Gillette
Auditors	EY Ford Rhodes, Chartered Accountants
Registrar	FAMCO Associates (Pvt) Limited
Hub Plant	Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan
Narowal Plant	Mouza Poong, 5 KM from Luban Pulli Point on Mureedkay-Narowal Road, District Narowal, Punjab
Laraib Energy Limited (Subsidiary)	12-B/1, Multi Mansion Plaza, G-8, Markaz, Islamabad

Report of the Directors on the Consolidated and Un-Consolidated Financial Statements for first quarter ended September 30, 2016

The Board of Directors of the Company is pleased to present the consolidated and unconsolidated un-audited financial statements for the quarter ended September 30, 2016.

The Company

The Hub Power Company is the first Independent Power Producer (IPP) in the Country with a combined power generation capacity of over 1600 MW. Our Hub Plant is situated at Mouza Kund, Hub in Balochistan. It supplies reliable and uninterrupted electricity to the National grid. Our Narowal Plant is also an RFO-fired, engine based, combined cycle power station, located at Mouza Poong, Narowal in Punjab. The Company also holds 75% controlling interest in Laraib Energy Limited which owns and operates a run-off-the-river hydel power plant near the New Bong Escape, 8 km downstream of Mangla Dam in Azad Jammu and Kashmir.

The Company has established wholly owned subsidiaries for its future growth initiatives. Hub Power Holdings Limited (HPhL) has been incorporated to invest in the imported coal based 2x660 MW power project and future expansion initiatives. The Company with its joint venture partner China Power International Holdings (CPIH), has set up China Power Hub Generation Company (Pvt.) Ltd. (CPHGC), to undertake the aforementioned imported coal-based power Project.

A wholly owned subsidiary, Hub Power Services Limited (HPSL), has been incorporated to manage O&M of its existing power assets, its upcoming coal project and explore O&M business opportunities onshore and offshore. Another subsidiary, Narowal Energy Limited, has been incorporated to take over the assets and liabilities of Narowal plant post its demerger under the Companies Ordinance, 1984.

The Company has also established a wholly-owned subsidiary, Thar Energy Limited, to set up a 330 MW mine mouth coal power plant at Thar coal block II, Sindh.

The Company is also investing USD 20 million in Sindh Engro Coal Mining Company Limited (SECMC), a joint venture between Engro, Thal Limited, HBL, CMEC, Hubco and Government of Sindh, to develop a coal mine at Thar which has the seventh largest reserve of coal in the world.

The Company is listed on the Pakistan Stock Exchange. The Company's Global Depository Receipts (GDRs) is listed on the Luxembourg Stock Exchange (LSE) as Euro MTF.

Financial Highlights

Financial highlights of the Company and its subsidiaries during the quarter under review are as follows:

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
	Rs. In Million	
Turnover	23,874	26,962
Operating costs	19,813	22,509
Net Profit	2,465	2,551
Earnings per share (Rs.)*	2.13	2.20

*Attributable to the Owners of the Holding Company

Consolidated earnings per share for the period under review was Rs. 2.13 compared to Rs. 2.20 last year. The decrease in consolidated earnings is mainly due to higher repair and maintenance expenditure on major overhauling of one unit at Hub Plant and 36k running hours' major maintenance of one engine at Narowal Plant, partly offset by savings due to self-operation and maintenance of Hub and Narowal Plants and higher revenue of Laraib due to final tariff approved by NEPRA.

Unconsolidated net profit earned by the Company during the period under review was Rs. 1,904 million, resulting in earnings per share of Rs. 1.65 compared to a net profit of Rs. 2,042 million and earnings per share of Rs. 1.76 last year. The decrease in profit is mainly due to higher repair and maintenance expenditure on major overhauling of one unit at Hub Plant and 36k running hours' major maintenance of one engine at Narowal Plant, partly offset by savings due to self-operation and maintenance of Hub and Narowal Plants, as mentioned above.

Operational Highlights

Operational highlights of the three plants during the period under review are as follows:

	Unit	Quarter ended September 30, 2016	Quarter ended September 30, 2015
Hub Plant			
Generation	GWh	1,885	1,812
Load Factor	%	71	68
Narowal Plant			
Generation	GWh	306	293
Load Factor	%	65	62
Laraib Energy			
Generation	GWh	105	143
Load Factor	%	57	78

Hub Plant

During the quarter under review, plant operated at an average load factor of 71% against the plan of 74%. Available capacity was 86% against the plan of 88%. Electricity sold to WAPDA was 1,885 GWh as compared to planned dispatch of 1,963 GWh. During the quarter generation was slightly lower than plan due to low dispatch by NTDC and Unit 3 boiler wash.

The total allowance of equivalent weighted unit forced outage and partial derating energy for the Operating Year (April 2016- Mar 2017) is 960 GWh. During this quarter 110.2 GWh of forced outage allowance was consumed. Up to the end of this quarter a cumulative of 20.92% of forced outage allowance has been consumed.

During the month of July, Units were tripped on three occasions, Unit-4 on July 22 for 12 hours, Unit-1, 2 & 3 on July 23 for 9 hours and on July 27 for 12 hours due to tripping of CW pumps owing to jelly fish ingress from sea water intake and clogging of Travelling Band Screen (TBS). After removing jelly fish from TBS and condenser water boxes, Units were declared commercially available

Unit 1 declared on maintenance outage of 97 days (80 Scheduled & 17 forced) from August 13, 2016 for its major overhauling

Narowal Plant

During the quarter Net Electric Output (NEO) was 306 GWh (2015-16 Q1 was 293 GWh) vs plan 305 GWh. The load factor for Narowal Plant for Q 1 was 65% (2015-16 Q1 was 62%) vs plan of 65%

Steam Turbine's 5-Yearly Major Inspection is safely completed using Own man power under supervision of OEM Engineer in 20 days.

36,000 Running hour Major Overhaul of Engine no 10 is completed in September 2016.

Cylinders head valves replacement activity completed on Engine no 6 by Site maintenance team post take over against pre-take over when this activity was done by MAN.

Plant is vigorously continuing its efforts for operational excellence to optimize efficiency and availability. Operational Excellence initiative on "Steam Turbine's 5-Yearly Major Overhaul Optimization" was completed successfully resulting in saving of 15 days and additional generation of 6 GWh of energy. In-line with Corporate strategy, Plant team is being trained on 22 elements of Dupont along with level-3 SOPs preparation.

Laraib Energy Limited

During the quarter under review, net electrical dispatch was 105 GWh as compared to 143 GWh in the same period last fiscal year (2015-16). Lower generation is due to lesser hydrology from Mangla Powerhouse, compared to the same period last year. Consequently, plant load factor was 57% as compared to 78% in the same period last fiscal year. However, plant availability was 99.9%, showing high reliability of the plant.

DuPont safety systems development is in full swing with 90% completion of Level-3 procedures. Operational Excellence on "Scheduled monthly maintenance optimization" has been initiated, showing encouraging results by saving of 30 hours from scheduled outage allowance during the quarter under review.

2x660 MW Coal Project

Company's 26% owned Joint Venture Company, M/s. China Power Hub Generation Company (CPHGC), which is undertaking 2x660MW Imported Coal Based Power Project at Hub Site, has been in discussion with the Government of Pakistan on some potential improvement in the Required Commercial Operation Date (RCOD) of the 2x660MW Project as desired by the GoP. The potential implication of which could be Project getting reduced to 1x660MW, which would impact the Project.

Since CPHGC is awaiting finalization of the decision from GoP, the PPA and the IA of the Project have not yet been executed, which were required to be signed by October 11, 2016 under the terms of Letter of Support issued by the PPIB to CPHGC. However, the partners, led by China Power International Holding (CPIH) which has 74% holding in CPHGC, are making all efforts to resolve aforementioned timing issue with the GoP.

CPHGC has mobilized Power Plant & Jetty EPC Contractors to ensure early completion of the Project after receiving Environmental NOCs for Power Plant and Jetty from Balochistan Environmental Protection Agency.

CPHGC is also engaged with leading Chinese banks to achieve timely Financial close and has inducted China Development Bank as the lead arranger. CPHGC is in negotiations with major global coal suppliers for entering into long term coal supply agreements.

Investment in Sindh Engro Coal Mining Company (SECMC)

Post the Shareholders Agreement between Engro, Thal Limited, HBL, CMEC and Hubco, SECMC has signed key financing agreements with Chinese and Pakistani lenders for loan amount of USD 634 million. SECMC has achieved its financial close in April 2016. The Project construction is progressing satisfactorily

330MW Coal Power Plant at Thar

The Company has setup a wholly owned subsidiary by the name of Thar Energy Limited (TEL) to undertake 330 MW Project at Thar. TEL has received Lol from PPIB. Furthermore, Generation License application has been admitted by NEPRA. The company has also applied for Tariff Determination with NEPRA. Sindh Environmental Protection Agency has conducted Environmental and Social Impact Assessment hearing for the Project, which will be followed by issuance of NOC for construction by SEPA, which will in-turn enable the company to start Project Construction at the earliest. The Company is in discussion with leading local for equity participation in TEL to ensure timely and successful Project Execution.

Narowal Demerger

Following the approval of the Board, Narowal Energy Limited (NEL) has been incorporated for the demerger of the Narowal Plant into a separate legal entity. The draft Scheme of Arrangement for the demerger of the Narowal Plant into NEL will be filed in Court after obtaining requisite approvals, for sanctioning the proposed demerger.

Corporate Social Responsibility

Initiatives of Community Development remained at the forefront of Company's business interventions. Hubco, its subsidiaries and JV Company, CPHGC, continued working in the areas of Education, Health, Livelihood intervention and Physical Infrastructure development. Construction of another TCF school in Hub is progressing as per plan. RO plant has been made operational in TCF school for providing clean drinkable water to school children. Infrastructure improvement and training of fishermen carried out to enhance their livelihood. Installation of solar panel remained in progress in communities around Hub and Narowal. Coordination being done with local government for adoption and renovation of Basic Health Units (BHU)

Health, Safety and Environment

HSE is Company's first and foremost priority. The Company continued its zero loss work-day injury record and completed over 16 million safe man-hours, from the last accident at Hub Site in December 2013 till the end of the quarter under review. Consolidated Total Recordable Injury Rate (TRIR) for the quarter under review was 0.13. Company is transitioning towards highest DuPont Safety Management System at all its three plants.

All three Plants have developed DuPont Process Safety Management (Level II) Procedures and the trainings on Elements are in progress. 'HSE Leadership & Culture' coaching sessions of all Plant Executives have been initiated. These coaching sessions are conducted by a DuPont International expert.

Information in relation to Luxembourg Stock Exchange

The Directors, in compliance with the requirements of the "Commission De Surveillance Du Secteur Financier, Societe de Bourse de Luxembourg SA", are pleased to confirm that to the best of their knowledge, the condensed interim consolidated and unconsolidated financial statements for the quarter ended September 30, 2016 give a true and fair view of the assets, liabilities, financial position and financial results of the Company and are in conformity with approved accounting standards as applicable in Pakistan. Further, the aforementioned management report includes a fair review of the development and performance of the Company together with the potential risks and uncertainties faced, if any.

The Company remains grateful to its shareholders, operators, employees and contractors for their confidence in the company and their tireless efforts in driving the Company on the path of growth and prosperity.

By Order of the Board



Khalid Mansoor
Chief Executive Officer

Karachi – October 26, 2016

ڈائریکٹرز کی رپورٹ

کمپنی کا بورڈ آف ڈائریکٹرز 30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے لئے انضمامی اور غیر انضمامی مالیاتی حسابات کی رپورٹ پیش کرنے میں مسرت محسوس کرتا ہے۔

کمپنی کا تعارف

حب پاور کمپنی لمیٹڈ (Hubco) ملک کی پہلی انڈیپنڈنٹ پاور پروڈیوسر (IPP) کمپنی ہے جس کی مجموعی پیداواری استعداد 1600 میگا واٹ سے زائد ہے۔ بلوچستان کے موضع کند، حب میں واقع ہمارا حب پلانٹ پاکستان میں ریزید یول فیول آئل (RFO) سے چلنے والے سب سے موثر پاور پلانٹس میں سے ایک ہے جو قومی گرڈ کو قابل اعتبار اور بلا تھقل بجلی فراہم کرتا ہے۔ پنجاب کے ضلع نارووال کے موضع پونگ میں واقع ہمارا نارووال پلانٹ بھی RFO سے چلنے والا، انجن بیسڈ، کمپائونڈ سائیکل پاور اسٹیشن ہے۔ اس کے علاوہ کمپنی لاریب انرجی لمیٹڈ کے 75% حصص کی مالک ہے جو آزاد جموں و کشمیر میں منگلہ ڈیم سے 8 کلومیٹر نشیب میں نیو بونگ اسکیپ کے قریب ہائیڈل پاور پلانٹ چلاتی ہے۔

کمپنی نے مستقبل میں ترقی اور پیداوار میں اضافے کے اقدامات کے پیش نظر کل ملکیتی ذیلی کمپنیاں قائم کی ہیں۔ درآمدی کوئٹے سے چلنے والے 2x660 میگا واٹ کے پاور پروجیکٹ میں سرمایہ کاری اور مستقبل میں مزید توسیعی اقدامات کے لئے حب پاور ہولڈنگز لمیٹڈ (HPLH) قائم کی گئی ہے۔ آپ کی کمپنی نے جوائنٹ وینچر پارٹنر چائنا پاور انٹرنیشنل ہولڈنگز (CPIH) کے ساتھ مل کر چائنا پاور حب جزییشن کمپنی (پرائیویٹ) لمیٹڈ (CPHGC) قائم کی ہے تاکہ مذکورہ بالا درآمدی کوئٹے سے چلنے والا پاور پلانٹ قائم کیا جاسکے۔

ایک ذیلی کمپنی، حب پاور سروسز لمیٹڈ (HPSL) تشکیل دی گئی ہے تاکہ کمپنی کے موجودہ پاور ایسٹ، آئسندہ کوئٹے سے چلنے والے پروجیکٹس کی آپریشنز اور مینٹیننس (O&M) کا انتظام کر سکے اور بیرون ملک اور اندرون ملک مزید کاروباری مواقع تلاش کر سکے۔ ایک اور ذیلی کمپنی نارووال انرجی لمیٹڈ قائم کی گئی جو نارووال پلانٹ کے کمپیز آرڈیننس 1984 کے تحت عدم انضمام کے بعد اس کے اثاثوں اور واجبات کا انتظام سنبھال سکے۔

آپ کی کمپنی نے تھرکول بلاک - II، سندھ میں 330 میگا واٹ کے مائن ماؤتھ کول پاور پلانٹ کے قیام کے لئے ایک اور کل ملکیتی ذیلی کمپنی تھرانر جی لمیٹڈ بھی تشکیل دی ہے۔ کمپنی نے سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (SECMC) میں 20 ملین امریکی ڈالر کی سرمایہ کاری کر رہی ہے جو اینگرو پاور جن، تھل لمیٹڈ، HBL، CMEC، حکومت سندھ اور آپ کی کمپنی کا ایک مشترکہ منصوبہ ہے تاکہ تھرمیں، جہاں دنیا کے ساتویں بڑے کوئٹے کے ذخائر موجود ہیں، ایک کوئٹے کی کان تیار کی جاسکے۔ آپ کی کمپنی پاکستان اسٹاک ایکسچینج میں بھی لسٹڈ ہے۔ کمپنی کی عالمی ڈپازٹری وصولیات (GDRS) بھی Euro MTF کے مطابق گلسبرگ اسٹاک ایکسچینج میں لسٹڈ ہیں۔

مالیاتی کارکردگی

زیر جائزہ سہ ماہی میں آپ کی کمپنی اور اس کی ذیلی کمپنیوں کے اہم مالیاتی نکات درج ذیل ہیں:

30 ستمبر 2016 کو ختم ہونے والی سہ ماہی	30 ستمبر 2015 کو ختم ہونے والی سہ ماہی	
2016	2015	روپے ملین میں
23,874	26,962	شرح فروخت
19,813	22,509	کارگزار اخراجات
2,465	2,551	خالص منافع
2.13	2.20	آمدنی فی حصص (روپے)*

* ہولڈنگ کمپنی کے ماکان سے تعلق شدہ

زیر جائزہ مدت کے لئے فی حصص مجموعی آمدنی گزشتہ سال کی اسی مدت کی آمدنی 2.20 روپے کے مقابلے میں 2.13 روپے رہی۔ مجموعی آمدنی میں کمی کی بنیادی وجہ جبکہ پلانٹ کے ایک یونٹ کی میجر اور ہالنگ پر ہونے والے مرمتی اور دیکھ بھال کے اخراجات اور نارووال پلانٹ کے ایک انجن کی 36,000 گھنٹے (Running Hours) کی میجر مینٹیننس پر ہونے والے بھاری اخراجات تھے، جس کی تلافی کسی حد تک جب اور نارووال کے سیلف آپریشن اور مرمت کی وجہ سے ہونے والی بچت اور نہر کی جانب سے منظور ہونے والے حتمی ٹیرف کی وجہ سے ممکن ہو سکی۔

زیر جائزہ مدت میں کمپنی کا غیر انضمامی خالص منافع 1,904 ملین روپے رہا۔ نتیجتاً فی حصص آمدنی 1.6 روپے رہی جبکہ گزشتہ سال کی اسی مدت میں خالص منافع 2.042 ملین روپے اور فی حصص آمدنی 1.76 روپے تھی۔ منافع میں کمی کی بنیادی وجہ جبکہ پلانٹ کے ایک یونٹ کی میجر اور ہالنگ پر ہونے والے مرمتی اور دیکھ بھال کے اخراجات اور نارووال پلانٹ کے ایک انجن کی 36,000 گھنٹے (Running Hours) کی میجر مینٹیننس پر ہونے والے بھاری اخراجات تھے، جس کی تلافی کسی حد تک جب اور نارووال کے سیلف آپریشن اور مرمت کی وجہ سے ہونے والی بچت اور نہر کی جانب سے منظور ہونے والے حتمی ٹیرف کی وجہ سے لا ریب کو ہونے والی زیادہ آمدنی کی وجہ سے ممکن ہو سکی، جیسا کہ اوپر بیان کیا گیا ہے۔

یونٹ	30 ستمبر 2016 کو ختم ہونے والی سہ ماہی	30 ستمبر 2015 کو ختم ہونے والی سہ ماہی
حب پلانٹ		
پیداوار	1,885	1,812
لوڈ فیکٹر	71	68
نارووال پلانٹ		
پیداوار	306	293
لوڈ فیکٹر	65	62
لا ریب انرجی		
پیداوار	105	143
لوڈ فیکٹر	57	78

حب پلانٹ

زیر جائزہ سہ ماہی میں پلانٹ مجوزہ 74 فیصد کے برعکس 71 فیصد اوسط لوڈ فیکٹر کے ساتھ کارگزار رہا۔ دستیاب گنجائش مجوزہ 88 فیصد کے مقابلے میں 86 فیصد رہی۔ واپڈاکو بجلی کی ترسیل مجوزہ 1,963 گیگا واٹ کے مقابلے میں 1,885 گیگا واٹ رہی۔ اس سہ ماہی میں بجلی کی پیداوار توقع سے کچھ کم تھی جس کی وجوہات NTDL سے کم ترسیل اور یونٹ 3 بوائمر واش تھیں۔

مالی سال (اپریل 2016 - مارچ 2017) تک مساوی ویٹڈ یونٹ (weighted unit) کی جبری بندش اور جزوی ڈی ریٹنگ انرجی derating energy 960 گیگا واٹ ہے۔ اس سہ ماہی میں 110.2 گیگا واٹ کا فورسڈ آؤٹ پیج الاؤنس استعمال کیا گیا۔ اس سہ ماہی کے اختتام تک مجموعی طور پر فورسڈ آؤٹ پیج الاؤنس کا 20.92 فیصد استعمال کیا گیا۔

ماہ جولائی میں تین مواقع پر یونٹ ٹرپ ہونے کے واقعات پیش آئے۔ یونٹ 4، 22 جولائی کو 12 گھنٹے کے لئے ٹرپ ہوا، یونٹ 1، 2 اور 3، 23 جولائی کو 9 گھنٹے اور 27 جولائی کو 12 گھنٹے کے لئے ٹرپ ہوئے۔ اس ٹرپنگ کی وجہ سمندر کے پانی سے داخل ہونے والی جیلی فش کی وجہ سے ٹریولنگ بینڈ اسکرین (TBS) میں رکاوٹ کے باعث CW پمپس کی ٹرپنگ تھی۔ TBS اور کنڈنسر وائر باکسز سے جیلی فش ہٹانے کے بعد یونٹس کو کاروباری اعتبار سے دستیاب قرار دے دیا گیا۔ یونٹ 1 کو 13 اگست 2016 سے میجر اور ہالنگ کے لئے 97 دنوں کے لئے (80 شیڈ یولڈ اور 17 فورسڈ) بند کیا گیا ہے۔

نارو وال پلانٹ

زیر جائزہ مدت میں بجلی کی خالص پیداوار (NEO) 305 گیگا واٹ کی مجوزہ مقدار کے مقابلے میں 306 گیگا واٹ (16-2015 کی پہلی سہ ماہی میں 293 گیگا واٹ) رہی۔ نارو وال پلانٹ کالوڈ فیکٹر مجوزہ 65 فیصد کے مقابلے میں 65 فیصد (16-2015 کی پہلی سہ ماہی میں 62 فیصد) رہا۔ اسٹیم ٹربائن کا پانچ سالہ معائنہ IOEM انجینئرز کی زیر نگرانی اپنی افرادی قوت استعمال کر کے 20 دن میں مکمل کیا گیا۔ انجن نمبر 10 کی 36,000 گھنٹوں کی میجر اور ہالنگ ستمبر 2016 میں مکمل کر لی گئی۔

انجن نمبر 6 کے سنڈرز کے ہیڈ وائر کی تبدیلی کا عمل سائٹ مینجمنٹس ٹیم کے انتظام سنبھالنے کے بعد مکمل کیا گیا جبکہ اس سے قبل یہ عمل MAN کے ذریعے انجام دیا گیا تھا۔

پلانٹ عملی امتیاز سے اپنی استعداد کار اور دستیابی میں اضافے کے لئے اپنی بھرپور کوششیں جاری رکھے ہوئے ہے۔ عملیاتی امتیاز کے حصول کے اس اقدام کے تحت اسٹیم ٹربائن کی 5 سالہ میجر اور ہالنگ کامیابی سے مکمل کی گئی جس کے نتیجے میں 15 دن کی بچت اور 6 گیگا واٹ توانائی کی اضافی پیداوار حاصل ہوئی۔ کارپوریٹ حکمت عملی کے تحت پلانٹ ٹیم کو Dupont کے 22 عنصری درجہ سوم SOP's کی تیاری کے لئے تربیت فراہم کی جا رہی ہے۔

لاریب انرجی لمیٹڈ

زیر جائزہ سہ ماہی میں بجلی کی خالص ترسیل گزشتہ مالی سال (16-2015) کی اسی مدت کے 143 گیگا واٹ کے مقابلے میں 105 گیگا واٹ رہی۔ کم پیداوار کی بنیادی وجہ گزشتہ مدت کے مقابلے میں میگا پاور ہاؤس سے پانی کی کم مقدار میں فراہمی تھی۔ نتیجتاً پلانٹ کالوڈ فیکٹر گزشتہ سال کی اسی مدت کے 78 فیصد کے مقابلے میں 57 فیصد رہا۔ تاہم پلانٹ کی دستیابی کی شرح 99.9 فیصد تھی جو پلانٹ کے قابل اعتبار ہونے کی علامت ہے۔ Dupont سیفٹی سسٹم کی تیاری، درجہ سوم کے ضابطہ کار کی 90 فیصد تکمیل کے ساتھ بھرپور انداز سے جاری ہے۔ ”مجوزہ ماہانہ مرمتی اصلاحات“ کے لئے عملیاتی امتیاز کے حصول کے اقدامات کے حوصلہ افزا نتائج برآمد ہوئے ہیں جس سے زیر جائزہ سہ ماہی میں مجوزہ بندش کی گنجائش کے 30 گھنٹے کی بچت ہوئی ہے۔

2x660 میگا واٹ کا کولے سے چلنے والا پروجیکٹ

کمپنی کے 26 فیصد ملکیتی حصے کے ساتھ مشترکہ کمپنی، میسرز چائنا پاور حب جزییشن کمپنی (CPHGC)، جو حب سائٹ پر 2x660 میگا واٹ کا درآمدی کولے سے چلنے والا پروجیکٹ تیار کر رہی ہے، حکومت پاکستان سے 2x660 میگا واٹ پروجیکٹ کی مطلوبہ کمرشل آپریشن کی تاریخ (RCOD) میں بعض ممکنہ ترامیم پر مذاکرات کر رہی ہے، جس کے ممکنہ اطلاق سے منصوبے کو 1x660 میگا واٹ تک محدود ہونے کی توقع ہے۔ اس سے منصوبے پر منفی اثرات مرتب ہو سکتے ہیں۔ چونکہ CPHGC کو تاحال حکومت پاکستان کے فیصلے کا انتظار ہے، اس لئے منصوبے کے IPPA اور IIA ابھی تک تیار نہیں کئے گئے، جس پر CPHGC کو PPIB کے جاری کردہ لیٹر آف سپورٹ کی شرائط کے تحت 11 اکتوبر 2016 تک دستخط کرنے تھے۔ تاہم شریک کار کمپنیاں چائنا پاور انٹرنیشنل ہولڈنگ (CPIH)، جو CPHGC کے 74 فیصد مالک ہے، اپنی قیادت میں حکومت پاکستان سے مذکورہ بالا معاملات کے حل کے لئے اپنی تمام ممکنہ کوششیں بروئے کار لا رہی ہیں۔ CPHGC بروقت فنانشل کلوز کے لئے بڑے چینی بینکوں کے ساتھ بھی معاملت کر رہی ہے اور چائنا ڈویلپمنٹ بینک کو انہم انتظام کے طور پر شامل کر لیا گیا ہے۔ CPHGC بڑے بین الاقوامی کولے فراہم کنندگان سے بھی کولے کی طویل المیعاد فراہمی کے معاہدوں کے لئے مذاکرات کر رہی ہے۔

سندھ اینگریڈیٹس کمپنی (SECMC) میں سرمایہ کاری

اینگرو، قتل لمیٹڈ، HBL، CMEC، حکومت سندھ اور Hubco کے درمیان شیئر ہولڈرز ایگریمنٹ کے بعد، SECMC نے چینی اور پاکستانی قرض دہندگان سے 634 ملین امریکی ڈالر قرض کے حصول کے لئے بنیادی مالیاتی معاہدے کئے ہیں۔ SECMC نے اپریل 2016 میں اپنا مالیاتی کلوز حاصل کر لیا ہے اور تعمیراتی سرگرمیاں بھرپور انداز سے جاری ہیں۔

تھر میں 330 میگا واٹ کا کولے سے چلنے والا پاور پلانٹ

کمپنی نے تھر میں 330 میگا واٹ کے پروجیکٹ کے قیام کے لئے تھرانر جی لمیٹڈ (TEL) کے نام سے ایک کل ملکیتی ذیلی کمپنی قائم کی ہے۔ تھرانر جی لمیٹڈ نے PPPIB کی جانب سے منصوبے کے آغاز کے لئے LOI حاصل کر لیا ہے۔ مزید برآں، نیہرا نے پیداواری لائسنس کے لئے درخواست وصول کر لی ہے۔ کمپنی نے نیہرا کوٹیرف کے تعین کے لئے بھی درخواست جمع کرا دی ہے۔ سندھ انوائزمنٹل پروفیکشن ایجنسی نے منصوبے کے ماحولیاتی اور سماجی اثرات سے متعلق سماعت منعقد کر لی ہے جس کے بعد SEPA کی جانب سے منصوبے کی تکمیل کے لئے NOC جاری کر دیا جائے گا اور اس طرح کمپنی جلد سے جلد منصوبے کی تعمیر کا آغاز کر سکے گی۔ کمپنی TEL میں سرمایہ کاری کے لئے اہم مقامی ایکویٹی شمولیت کے ساتھ مذاکرات کر رہی ہے تاکہ منصوبے کی بروقت اور کامیاب تکمیل کو یقینی بنایا جاسکے۔

نارووال کا عدم انضمام

بورڈ کی منظوری کے بعد، نارووال پلانٹ کے بطور ایک علیحدہ قانونی ادارے کے عدم انضمام کے لئے نارووال انرجی لمیٹڈ (NEL) قائم کی گئی ہے۔ نارووال پلانٹ کے نارووال انرجی لمیٹڈ میں مجوزہ ڈی مارجر کی منظوری کے لئے درکار منظوریوں کے حصول کے بعد انتظامات کی ڈرافٹ اسکیم عدالت میں پیش کی جائے گی۔

کارپوریٹ سماجی ذمہ داری

سماجی ترقی کے اقدامات کمپنی کے کاروباری وسائل میں ہمیشہ سب سے مقدم رہے ہیں۔ حکمو، اس کی ذیلی کمپنیوں اور اس کی شریک کار کمپنی، چائنا پاور حسب جزیشن کمپنی نے تعلیم، صحت، ذرائع معاش اور فزیکل انفراسٹرکچر کی ترقی کے شعبوں میں کام جاری رکھا ہوا ہے۔ جب میں منصوبے کے مطابق ایک اور TCF اسکول کی تعمیر جاری ہے۔ TCF اسکول میں RO پلانٹ کو فعال کر دیا گیا ہے تاکہ اسکول کے بچوں کو پینے کا صاف پانی مہیا کیا جاسکے۔ ماہی گیروں کا معیار زندگی بلند کرنے کے لئے انفراسٹرکچر کی ترقی اور تربیت فراہم کی جارہی ہے۔ جب اور نارووال کی قریبی آبادیوں میں سولر پینلز کی تنصیب بھی جاری ہے۔ بنیادی مراکز صحت کو اپنانے اور ان کی از سر نو درستی پر مقامی حکومت سے مذاکرات کا عمل بھی جاری ہے۔

صحت، تحفظ اور ماحول

صحت، تحفظ اور ماحول (HSE) کمپنی کی اولین ترجیح ہے۔ کمپنی نے دسمبر 2013 میں جب سائٹ پر ہونے والے آخری حادثے کے بعد سے زیر جائزہ سہ ماہی تک حادثات کے نتیجے میں اوقات کار کے خلیا نہ ہونے کا ریکارڈ برقرار رکھا اور محفوظ افرادی قوت کے کام کے 16 ملین گھنٹے مکمل کئے۔ مجموعی قابل ذکر حادثات کی شرح (TRIR) زیر جائزہ سال میں محض 0.13 رہی۔ کمپنی نے اپنے تینوں پلانٹس کے لئے DuPont سیفٹی سسٹم اختیار کرنے کے عمل کا بھی آغاز کر دیا ہے۔ تینوں پلانٹس سائٹس پر DuPont پراسیس سیفٹی سسٹم مینجمنٹ (لیول 2) طریقہ عمل کے قیام کی جانب پیش قدمی جاری ہے۔ DuPont سیفٹی مینجمنٹ کے حوالے سے تربیت ابھی جاری ہے۔ تمام پلانٹ ایگزیکٹوز کے لئے "HSE لیڈر شپ اینڈ کلچر" کی تربیتی نشستوں کا آغاز کیا گیا ہے۔ یہ تربیت Dupont کے بین الاقوامی ماہرین فراہم کر رہے ہیں۔

لیگزیمبرگ اسٹاک ایکسچینج کے سلسلے میں معلومات

کمپنی کے ڈائریکٹرز Luxembourg SA کی ضروریات کی تعمیل میں ہمد مسرت یہ تصدیق کرتے ہیں کہ ان کی معلومات کے مطابق 30 ستمبر 2016 کو ختم ہونے والی سہ ماہی کے انضمامی اور غیر انضمامی مالیاتی گوشوارے کمپنی کے اثاثوں، واجبات، مالیاتی حالات اور مالیاتی نتائج کا راست اور درست جائزہ پیش کرتے ہیں اور پاکستان میں قابل اطلاق منظور شدہ اکاؤنٹنگ کے معیارات سے مطابقت رکھتے ہیں۔ مزید برآں، مذکورہ بالا شیڈولڈ رپورٹ کمپنی کی ترقی اور کارکردگی بمعہ ممکنہ خطرات اور غیر یقینی حالات، اگر کوئی ہوں، کا درست تجزیہ پیش کرتے ہیں۔

کمپنی اپنے حصص یافتگان، ملازمین، کنٹرولرز، کاروباری شراکت داروں اور دیگر تمام حصہ داروں کا تہہ دل سے شکریہ ادا کرتی ہے جنہوں نے نہ صرف کمپنی پر اپنے اعتماد کا اظہار کیا بلکہ کمپنی کی ترقی اور خوشحالی کے سفر میں بھرپور کردار ادا کیا۔

بنجلم بورڈ

خالد منصور
چیف ایگزیکٹو

کراچی۔ 26 اکتوبر 2016



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Note	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Turnover		22,442,107	25,662,080
Operating costs	4	(19,525,292)	(22,182,879)
GROSS PROFIT		<u>2,916,815</u>	<u>3,479,201</u>
General and administration expenses		(252,537)	(267,947)
Other income		7,139	6,870
Other operating expenses	5	-	(364,321)
PROFIT FROM OPERATIONS		<u>2,671,417</u>	<u>2,853,803</u>
Finance costs	6	(767,418)	(811,139)
PROFIT BEFORE TAXATION		<u>1,903,999</u>	<u>2,042,664</u>
Taxation		(150)	(577)
PROFIT FOR THE PERIOD		<u><u>1,903,849</u></u>	<u><u>2,042,087</u></u>
Basic and diluted earnings per share (Rupees)		<u><u>1.65</u></u>	<u><u>1.76</u></u>

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

Khalid Mansoor
Chief Executive

Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Profit for the period	1,903,849	2,042,087
Other comprehensive income for the period		
<i>Items that will not be reclassified to Profit or Loss in subsequent periods</i>		
Loss on remeasurements of post employment benefit obligation	(2,615)	(7,575)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>1,901,234</u></u>	<u><u>2,034,512</u></u>

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

Khalid Mansoor
Chief Executive

Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
BALANCE SHEET
AS AT SEPTEMBER 30, 2016

	Note	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	7	36,363,870	36,586,896
Intangibles		39,990	44,236
Long term investments	8	6,332,310	5,876,381
Long term deposits and prepayments		22,660	20,808
CURRENT ASSETS			
Stores, spares and consumables		2,603,296	2,459,522
Stock-in-trade		3,817,755	2,563,327
Trade debts	9	76,768,924	77,746,623
Loans and advances		221,841	247,175
Prepayments and other receivables		5,594,091	5,180,572
Cash and bank balances		373,597	3,280,071
		89,379,504	91,477,290
TOTAL ASSETS		132,138,334	134,005,611
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		12,000,000	12,000,000
Issued, subscribed and paid-up		11,571,544	11,571,544
Revenue Reserve			
Unappropriated profit		17,908,351	16,007,117
		29,479,895	27,578,661
NON-CURRENT LIABILITIES			
Long term loans		16,341,449	17,301,209
CURRENT LIABILITIES			
Trade and other payables	10	62,079,438	68,291,054
Interest / mark-up accrued		543,829	514,698
Short term borrowings		19,629,128	16,540,219
Current maturity of long term loans		4,064,595	3,779,770
		86,316,990	89,125,741
TOTAL EQUITY AND LIABILITIES		132,138,334	134,005,611

COMMITMENTS AND CONTINGENCIES

11

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

Khalid Mansoor
Chief Executive

Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Note	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,903,999	2,042,664
Adjustments for:			
Depreciation		720,147	699,227
Amortisation		5,152	4,274
Gain on disposal of fixed assets		(1,221)	(60)
Write-off of fixed assets		-	25,203
Provision for slow moving stores and spares		11,951	-
Staff gratuity		7,961	3,687
Interest income		(4,838)	(4,310)
Interest / mark-up		732,424	768,219
Amortisation of transaction costs		18,407	20,775
Operating profit before working capital changes		3,393,982	3,559,679
Working capital changes		(4,946,443)	(103,137)
Cash (used in) / generated from operations		(1,552,461)	3,456,542
Interest income received		4,352	2,635
Interest / mark-up paid		(703,293)	(804,310)
Taxes paid		(150)	(577)
Net cash (used in) / generated from operating activities		(2,251,552)	2,654,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(499,177)	(314,308)
Proceeds from disposal of fixed assets		2,371	2,045
Long term investments made		(455,929)	-
Long term deposits and prepayments		(1,852)	(132)
Net cash used in investing activities		(954,587)	(312,395)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,095,902)	(10,400)
Repayment of long term loans		(693,342)	(951,272)
Net cash used in financing activities		(2,789,244)	(961,672)
Net (decrease) / increase in cash and cash equivalents		(5,995,383)	1,380,223
Cash and cash equivalents at the beginning of the period		(13,260,148)	(10,479,278)
Cash and cash equivalents at the end of the period	13	(19,255,531)	(9,099,055)

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

Khalid Mansoor
Chief Executive

Iqbal Alimohamed
Director

THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Issued capital		
Balance at the beginning of the period	11,571,544	11,571,544
Balance at the end of the period	<u>11,571,544</u>	<u>11,571,544</u>
Unappropriated profit		
Balance at the beginning of the period	16,007,117	20,063,357
Profit for the period	1,903,849	2,042,087
Other comprehensive income for the period	(2,615)	(7,575)
Total comprehensive income for the period	1,901,234	2,034,512
Balance at the end of the period	<u>17,908,351</u>	<u>22,097,869</u>
Total equity	<u><u>29,479,895</u></u>	<u><u>33,669,413</u></u>

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



Khalid Mansoor
Chief Executive



Iqbal Alimohamed
Director

THE HUB POWER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

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 under the Companies Ordinance, 1984 (the "Ordinance"). The shares of the Company are listed on the Pakistan Stock Exchange (PSX) and its Global Depository Receipts are listed on the Luxembourg Stock Exchange. 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) and a 214 MW (net) oil-fired power station in Punjab (Narowal plant).

The Company has the following subsidiaries:

- Laraib Energy Limited (LEL)
- Hub Power Services Limited (HPSL)
- Hub Power Holdings Limited (HPHL)
- Narowal Energy Limited (NEL)
- Thar Energy Limited (TEL)

Proposed Narowal Demerger

Under the tax laws of Pakistan, if Narowal were demerged into a separate legal entity, it would have lost its tax exempt status from taxation on the income from power generation. The Company requested the Private Power and Infrastructure Board (PPIB) for the appropriate changes in the tax laws so that Narowal could be demerged into a separate legal entity. The Company has received the Economic Coordination Committee's (ECC) approval for the changes in tax laws enabling the Company to demerge Narowal into a separate legal entity having the same tax exempt status, after demerger, as it enjoys now. The Company has incorporated a wholly owned subsidiary, NEL.

During the period, the Board of Directors approved the scheme of arrangement for demerger of Narowal plant alongwith related assets, liabilities, commitment and contingencies (Narowal Undertaking). Pursuant to the scheme of arrangement, Hubco will transfer Narowal Undertaking into a separate legal entity – Narowal Energy Limited (NEL) against subscriptions of share capital at book value.

However, the said demerger is subject to approval of the scheme of arrangement for demerger by PPIB, lenders, creditors, other relevant authorities, shareholders and the High Court of Sindh. The demerger is expected to be completed during the financial year 2016-17.

2. 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, 2016.

3. BASIS OF PREPARATION

These unaudited condensed interim unconsolidated financial statements of the Company for the first quarter ended September 30, 2016 have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of and directives issued under the Ordinance 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, 2016.

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

		3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
4. OPERATING COSTS	Note		
Fuel cost		17,013,332	20,055,294
Stores and spares		525,887	180,338
Operation and maintenance	4.1	457,036	611,517
Insurance		186,421	204,701
Depreciation		706,151	686,879
Amortisation		3,838	4,207
Repairs, maintenance and other costs		632,627	439,943
		<u>19,525,292</u>	<u>22,182,879</u>

4.1 This includes Rs. 457.036 million (Sep 2015: Rs. 224.294 million) representing services rendered by the subsidiary company, HPSL.

		3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
5. OTHER OPERATING EXPENSES	Note		
Write-off of fixed assets		-	25,203
Workers' profit participation fund	5.1	-	-
Termination compensation		-	339,118
		<u>-</u>	<u>364,321</u>

5.1 Workers' profit participation fund

Provision for Workers' profit participation fund	95,200	102,133
Workers' profit participation fund recoverable from WAPDA / NTDC	(95,200)	(102,133)
	<u>-</u>	<u>-</u>

The Company is required to pay 5% of its profit to the Workers' profit participation fund (the "Fund"). The Company is entitled to claim this expense from Water and Power Development Authority (WAPDA) / National Transmission and Despatch Company Limited (NTDC) as a pass through item.

		3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
6. FINANCE COSTS			
Interest / mark-up on long term loans		419,853	534,402
Mark-up on short term borrowings		312,571	233,817
Amortisation of transaction costs		18,407	20,775
Other finance costs		16,587	22,145
		<u>767,418</u>	<u>811,139</u>

		Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
7. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating property, plant and equipment		36,121,036	36,453,125
Capital work-in-progress			
Hub plant		215,100	124,271
Narowal plant		27,734	9,500
		<u>242,834</u>	<u>133,771</u>
	7.1	<u>36,363,870</u>	<u>36,586,896</u>

7.1 Additions to property, plant and equipment during the period were Rs. 498.271 million and disposals therefrom at net book value were Rs. 1.150 million.

	Note	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
8. LONG TERM INVESTMENTS			
Investment in subsidiaries		5,724,389	5,300,389
Investment in an associate - SECMC		607,921	575,992
		<u>6,332,310</u>	<u>5,876,381</u>

9. TRADE DEBTS - Secured

Considered good	9.1	<u>76,768,924</u>	<u>77,746,623</u>
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9.1 These receivables include an overdue amount of Rs. 62,272 million (June 2016: Rs. 65,296 million) from WAPDA and Rs. 5,514 million (June 2016: Rs. 4,440 million) from NTDC. These are not impaired because the trade debts are secured by a guarantee from the Government of Pakistan under Implementation Agreements.

The delay in payments from WAPDA carries mark-up at SBP discount rate plus 2% per annum compounded semi-annually and the delay in payment from NTDC carries mark-up at a rate of 3 month KIBOR plus 4.5% per annum compounded semi-annually.

10. TRADE AND OTHER PAYABLES

This includes Rs. 58,425 million (June 2016: Rs. 62,072 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 52,319 million (June 2016: Rs. 56,668 million).

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

11. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of contingencies and commitments as disclosed in the annual unconsolidated financial statements of the Company for the year ended June 30, 2016.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related party comprises of subsidiaries, associated companies, companies where directors also hold directorship, retirement benefits funds and key management personnel. Significant transactions and balances with related parties, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

12.1 Details of transactions

	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Subsidiaries		
Reimbursable expenses incurred on behalf of LEL	<u>15,837</u>	<u>8,131</u>
Reimbursable expenses incurred on behalf of HPHL	<u>33,688</u>	<u>3</u>
Reimbursable expenses incurred on behalf of HPSL	<u>25,781</u>	<u>1,057</u>
Reimbursable expenses incurred on behalf of NEL	<u>10</u>	<u>-</u>
Reimbursable expenses incurred on behalf of TEL	<u>18,002</u>	<u>-</u>
Dividend received from LEL	<u>500,685</u>	<u>-</u>
Investment made in HPHL	<u>424,000</u>	<u>-</u>
Advances to HPSL	<u>34,000</u>	<u>96,379</u>
Advances repaid by HPSL	<u>54,000</u>	<u>-</u>
Amount paid for O&M Services rendered by HPSL	<u>514,353</u>	<u>-</u>
Receipt against reimbursable expenses incurred on behalf of LEL	<u>2,622</u>	<u>5,174</u>
Receipt against reimbursable expenses incurred on behalf of HPHL	<u>4,800</u>	<u>-</u>

Associate - SECMC

Investment made in SECMC

Note	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
------	---	---

31,929

-

Associated Undertakings due to common directorship

Amounts paid for services rendered

452

1,500

Procurement of stores, spares and consumables

1,164

-

Donation

500

1,500

Repayment of long term loans

92,857

28,525

Interest / mark-up on long term loans

104,213

26,438

Mark-up on short term borrowings

35,376

9,800

Other finance costs

1,359

14

Other related parties

Remuneration to key management personnel

Salaries, benefits and other allowances

53,610

47,678

Retirement benefits

2,319

1,480

12.1.1 & 12.1.3

55,929

49,158

Directors' fee

12.1.2

4,450

6,350

Contribution to staff retirement benefit plans

5,190

3,971

12.1.1 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.

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

12.1.3 These do not include cost allocated to subsidiary companies amounting to Rs. 18.251 million (Sep 2015: Rs. 2.622 million).

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

12.2 Details of outstanding balances
Subsidiaries

Investment in LEL

Sep 2016

(Rs. '000s)
(Unaudited)

Jun 2016

(Rs. '000s)
(Audited)

4,674,189

4,674,189

Investment in HPSL

100

100

Investment in HPHL

1,000,000

576,000

Investment in NEL

100

100

Investment in TEL

50,000

50,000

Receivable from LEL

165,194

158,913

Receivable from HPSL

41,268

86,670

Receivable from HPHL

101,186

72,298

Receivable from TEL

22,463

4,464

Receivable from NEL

34

24

Payable to HPSL against O&M services rendered

-

63,437

Payable to NEL

-

100

Payable to TEL

-

50,000

	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
Associated Undertakings due to common directorship		
Payable against purchase of consumables	-	617
Outstanding balance of long term loans	5,541,689	5,634,546
Outstanding balance of short term borrowings	2,102,898	1,353,153
Accrued markup on long term loans	77,242	67,828
Accrued markup on short term borrowings	27,390	25,451
Other related parties		
Payable to staff retirement benefit plans	89,563	75,439
	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)

13. CASH AND CASH EQUIVALENTS

Cash and bank balances	373,597	241,589
Finances under mark-up arrangements	(19,629,128)	(9,340,644)
	(19,255,531)	(9,099,055)

14. DIVIDEND

14.1 The final dividend of Rs. 3.00 per share, amounting to Rs. 3,471.463 million for the fiscal year ended June 30, 2016 was approved at the Annual General Meeting held on October 18, 2016. Hence, it will be accounted for in the period in which it is approved.

14.2 The Board of Directors declared an interim dividend for the first quarter ended September 30, 2016 of Rs. 1.50 per share, amounting to Rs. 1,735.732 million, at their meeting held on October 26, 2016. 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.

15. RECLASSIFICATION

Certain prior period's figures have been re-classified to reflect more appropriate presentation of events and transactions for the purpose of comparisons. However, there are no material reclassification to report.

16. SUBSEQUENT EVENT

The Company's 26% owned Joint Venture Company, M/s. China Power Hub Generation Company (CPHGC), which is undertaking 2x660MW Imported Coal Based Power Project at Hub Site, has been in discussion with the Government of Pakistan (GoP) on some potential improvement in the Required Commercial Operation Date (RCOD) of the 2x660MW Project as desired by the GoP. The potential implication of which could be Project getting reduced to 1x660MW, which would impact the Project.

Since CPHGC is awaiting finalization of the decision from GoP, the Power Purchase Agreement (PPA) and the Implementation Agreement (IA) of the Project have not yet been executed, which were required to be signed by October 11, 2016 under the terms of Letter of Support issued by the Private Power Infrastructure Board (PPIB) to CPHGC. However, the partners, led by China Power International Holding (CPIH) which has 74% holding in CPHGC, are making all efforts to resolve aforementioned timing issue with the GoP.

17. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue on October 26, 2016 in accordance with the resolution of the Board of Directors.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees



Khalid Mansoor
Chief Executive



Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Note	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Turnover		23,874,090	26,962,392
Operating costs	4	(19,813,236)	(22,509,077)
GROSS PROFIT		<u>4,060,854</u>	<u>4,453,315</u>
General and administration expenses		(350,555)	(323,288)
Other income		35,177	32,612
Other operating expenses	5	-	(365,956)
PROFIT FROM OPERATIONS		<u>3,745,476</u>	<u>3,796,683</u>
Finance costs	6	(1,007,340)	(1,064,982)
Share of (loss) / profit from associates	8.1 & 8.2	(43,283)	253
Gain on dilution of interest in an associate	8.1	1,191	-
PROFIT BEFORE TAXATION		<u>2,696,044</u>	<u>2,731,954</u>
Taxation		(44,063)	(25,948)
PROFIT FOR THE PERIOD		<u><u>2,651,981</u></u>	<u><u>2,706,006</u></u>
Attributable to:			
- Owners of the holding company		2,464,736	2,550,744
- Non-controlling interest		187,245	155,262
		<u><u>2,651,981</u></u>	<u><u>2,706,006</u></u>
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)		<u><u>2.13</u></u>	<u><u>2.20</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.


Khalid Mansoor
Chief Executive


Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Profit for the period	2,651,981	2,706,006
Other comprehensive income for the period		
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>		
Loss on remeasurements of post employment benefit obligation	(5,589)	(7,575)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>2,646,392</u></u>	<u><u>2,698,431</u></u>
Attributable to:		
- Owners of the holding company	2,459,147	2,543,169
- Non-controlling interest	187,245	155,262
	<u><u>2,646,392</u></u>	<u><u>2,698,431</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.

Khalid Mansoor
Chief Executive

Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
BALANCE SHEET
AS AT SEPTEMBER 30, 2016

	Note	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	7	54,835,572	55,274,043
Intangibles		1,455,090	1,459,290
Investment in associates	8	979,242	989,405
Long term deposits and prepayments		34,713	36,025
CURRENT ASSETS			
Stores, spares and consumables		2,766,983	2,615,694
Stock-in-trade		3,817,755	2,563,327
Trade debts	9	78,805,486	79,542,544
Loans and advances		254,922	268,842
Deposits, prepayments and other receivables		5,513,786	4,526,434
Cash and bank balances		3,182,472	6,572,532
		94,341,404	96,089,373
TOTAL ASSETS		151,646,021	153,848,136
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		12,000,000	12,000,000
Issued, subscribed and paid-up		11,571,544	11,571,544
Revenue Reserve			
Unappropriated profit		22,089,776	19,634,379
Attributable to owners of the holding company		33,661,320	31,205,923
NON-CONTROLLING INTEREST		2,225,932	2,038,687
		35,887,252	33,244,610
NON-CURRENT LIABILITIES			
Long term loans		24,300,210	25,843,072
Liabilities against assets subject to finance lease		2,387,209	2,545,175
Deferred liability		8,719	8,048
CURRENT LIABILITIES			
Trade and other payables	10	62,620,884	68,903,628
Interest / mark-up accrued		740,471	938,174
Short term borrowings		19,629,128	16,540,219
Current maturity of long term loans		5,639,208	5,380,207
Current maturity of liabilities against assets subject to finance lease		431,667	438,154
Taxation-net		1,273	6,849
		89,062,631	92,207,231
TOTAL EQUITY AND LIABILITIES		151,646,021	153,848,136
COMMITMENTS AND CONTINGENCIES			

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Khalid Mansoor
Chief Executive



Iqbal Alimohamed
Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Note	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,696,044	2,731,954
Adjustments for:			
Depreciation		956,470	960,877
Amortisation		5,206	4,306
Provision for slow moving stores and spares		11,951	-
Gain on disposal of fixed assets		(1,274)	(88)
Write-off of fixed assets		-	25,203
Share of loss / (profit) from associates		43,283	(253)
Gain on dilution of interest in an associate		(1,191)	-
Staff gratuity		14,486	10,655
Interest income		(32,823)	(27,873)
Interest / mark-up		935,973	986,818
Amortisation of transaction costs		33,883	36,744
Operating profit before working capital changes		4,662,008	4,728,343
Working capital changes		(5,691,155)	581,667
Cash (used in) / generated from operations		(1,029,147)	5,310,010
Interest income received		29,428	25,128
Interest / mark-up paid		(1,133,677)	(1,283,742)
Taxes paid		(51,792)	(3,246)
Net cash (used in) / generated from operating activities		(2,185,188)	4,048,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(517,629)	(355,491)
Proceeds from disposal of fixed assets		3,730	2,881
Investment in an associate		(31,929)	-
Long term deposits and prepayments		1,312	(40)
Net cash used in investing activities		(544,516)	(352,650)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(2,095,902)	(10,400)
Dividends paid to non controlling interest		(167,334)	-
Repayment of long term loans		(1,320,522)	(1,566,484)
Repayment of liabilities against assets subject to finance lease		(165,507)	(160,839)
Net cash used in financing activities		(3,749,265)	(1,737,723)
Net (decrease) / increase in cash and cash equivalents		(6,478,969)	1,957,777
Cash and cash equivalents at the beginning of the period		(9,967,687)	(8,616,121)
Cash and cash equivalents at the end of the period	14	(16,446,656)	(6,658,344)

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.


 Khalid Mansoor
 Chief Executive


 Iqbal Alimohamed
 Director



THE HUB POWER COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Attributable to owners of the holding company		
Issued capital		
Balance at the beginning of the period	11,571,544	11,571,544
Balance at the end of the period	<u>11,571,544</u>	<u>11,571,544</u>
Unappropriated profit		
Balance at the beginning of the period	19,634,379	23,358,073
Profit for the period	2,464,736	2,550,744
Other comprehensive income for the period	(5,589)	(7,575)
Total comprehensive income for the period	2,459,147	2,543,169
Share issue cost	(3,750)	-
Balance at the end of the period	<u>22,089,776</u>	<u>25,901,242</u>
Attributable to owners of the holding company	<u>33,661,320</u>	<u>37,472,786</u>
Non-controlling interest		
Balance at the beginning of the period	2,038,687	1,910,156
Total comprehensive income for the period	187,245	155,262
Balance at the end of the period	<u>2,225,932</u>	<u>2,065,418</u>
Total equity	<u>35,887,252</u>	<u>39,538,204</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.

Khalid Mansoor
Chief Executive

Iqbal Alimohamed
Director

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 under the Companies Ordinance, 1984 (the "Ordinance"). The shares of the holding company are listed on Pakistan Stock Exchange Limited (PSX) and its Global Depository Receipts are listed on the Luxembourg Stock Exchange. 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) and a 214 MW (net) oil-fired power station in Punjab (Narowal plant).

The Group consists of:

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

Proposed Narowal Demerger

Under the tax laws of Pakistan, if Narowal were demerged into a separate legal entity, it would have lost its tax exempt status from taxation on the income from power generation. The holding company requested the Private Power and Infrastructure Board (PPIB) for the appropriate changes in the tax laws so that Narowal could be demerged into a separate legal entity. The holding company has received the Economic Coordination Committee's (ECC) approval for the changes in tax laws enabling the holding company to demerge Narowal into a separate legal entity having the same tax exempt status, after demerger, as it enjoys now. The holding company has incorporated a wholly owned subsidiary, NEL.

During the period, the Board of Directors of the holding company approved the scheme of arrangement for demerger of Narowal plant alongwith related assets, liabilities, commitment and contingencies (Narowal Undertaking). Pursuant to the scheme of arrangement, the holding company will transfer Narowal Undertaking into a separate legal entity NEL against subscriptions of share capital at book value.

However, the said demerger is subject to approval of the scheme of arrangement for demerger by PPIB, lenders, creditors, other relevant authorities, shareholders and the High Court of Sindh. The demerger is expected to be completed during the financial year 2016-17.

2. 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 annual consolidated financial statements for the year ended June 30, 2016.

3. BASIS OF PREPARATION

These condensed interim consolidated financial statements for the first quarter ended September 30, 2016 have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of and directives issued under the Ordinance 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 annual consolidated financial statements for the year ended June 30, 2016.

		3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
4. OPERATING COSTS			
Fuel cost		17,025,180	20,055,294
Water use charges		86,808	21,513
Salaries, benefits and other allowances		257,896	134,498
Stores and spares		525,923	181,012
Operation and maintenance		82,918	476,037
Insurance		215,581	227,966
Depreciation		941,190	947,584
Amortisation		3,838	4,207
Repairs, maintenance and other costs		673,902	460,966
		<u>19,813,236</u>	<u>22,509,077</u>
5. OTHER OPERATING EXPENSES			
Write-off of fixed assets		-	25,203
Workers' welfare fund		-	1,635
Workers' profit participation fund	5.1	-	-
Termination compensation		-	339,118
		<u>-</u>	<u>365,956</u>
5.1 Workers' profit participation fund			
Provision for Workers' profit participation fund		95,200	102,133
Workers' profit participation fund recoverable from WAPDA / NTDC		(95,200)	(102,133)
		<u>-</u>	<u>-</u>
The holding company is required to pay 5% of its profit to the Workers' profit participation fund (the "Fund"). The holding company is entitled to claim this expense from Water and Power Development Authority (WAPDA) / National Transmission and Despatch Company Limited (NTDC) as a pass through item.			
		3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
6. FINANCE COSTS			
Interest / mark-up on long term loans		581,453	710,725
Interest on finance lease		41,949	42,276
Mark-up on short term borrowings		312,571	233,817
Amortisation of transaction costs		33,883	36,744
Other finance costs		37,484	41,420
		<u>1,007,340</u>	<u>1,064,982</u>
		Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
7. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment		54,571,535	55,134,158
Capital work-in-progress			
Hub plant		215,100	124,271
Narowal plant		27,734	9,500
Thar project		21,203	6,114
		<u>264,037</u>	<u>139,885</u>
	7.1	<u>54,835,572</u>	<u>55,274,043</u>

- 7.1 Additions to property, plant and equipment during the period were Rs. 520,448 million and disposals therefrom at net book value were Rs. 2,456 million.

	Note	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
8. INVESTMENT IN ASSOCIATES			
Associates- unquoted			
Investment in Sindh Engro Coal Mining Company Limited	8.1	608,096	575,206
Investment in China Power Hub Generation Company (Private) Limited	8.2	371,146	414,199
		<u>979,242</u>	<u>989,405</u>
8.1 Investment in Sindh Engro Coal Mining Company Limited			
Opening balance		575,206	244,234
Investment made during the period / year		31,929	332,905
Share of loss from associate		(230)	(1,822)
Gain / (loss) on dilution of interest		1,191	(111)
Closing balance		<u>608,096</u>	<u>575,206</u>
8.2 Investment in China Power Hub Generation Company (Private) Limited			
Opening balance		414,199	-
Investment made during the period / year		-	520,000
Share of loss from associate		(43,053)	(167,788)
Gain on dilution of interest		-	61,987
Closing balance		<u>371,146</u>	<u>414,199</u>

9. TRADE DEBTS - Secured

Considered good	9.1	<u>78,805,486</u>	<u>79,542,544</u>
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- 9.1 These receivables include an overdue amount of Rs. 62,272 million (June 2016: Rs. 65,296 million) from WAPDA and Rs. 5,828 million (June 2016: Rs. 4,527 million) from NTDC. These are not impaired because the trade debts are secured by a guarantee from the Government of Pakistan under Implementation Agreements.

The delay in payments from WAPDA carries mark-up at State Bank of Pakistan (SBP) discount rate plus 2% per annum compounded semi-annually and the delay in payments from NTDC carries mark-up at a rate of three / six month KIBOR plus 2% to 4.5% per annum compounded semi-annually.

10. TRADE AND OTHER PAYABLES

This includes Rs. 58,425 million (June 2016: Rs. 62,072 million) payable to Pakistan State Oil Company Limited (PSO), out of which overdue amount is Rs. 52,319 million (June 2016: Rs. 56,668 million).

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

11. COMMITMENTS AND CONTINGENCIES

There is no material change in the status of contingencies and commitments as disclosed in the annual consolidated financial statements of the holding company for the year ended June 30, 2016.

12. SEGMENT INFORMATION

12.1 SEGMENT ANALYSIS

The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for allocation of resources and assessment of performance. The Group has the following two reportable segments; power generation business, which includes the Hub plant, Narowal plant and Laraib plant all these plant are operational and operations and maintenance business which includes Hub plant and Narowal plant.

The unallocated items of profit and loss relate to costs incurred by the holding company for investment in Laraib, Group's share of profit / loss in SECMC and CPHGC and expenses relating to HPHL, NEL and TEL. The unallocated assets and liabilities represent the Group's investment in Laraib, SECMC and CPHGC, amount payable by the holding company for investment in Laraib and liabilities relating to HPHL, NEL and TEL.

	3 months ended Sep 2016					
	Power Generation		Operations and Maintenance		Eliminations	
	Hub plant	Narowal plant	Laraib plant	Hub plant	Narowal plant	Total
	(Rs. '000s)					
Turnover	18,736,729	3,705,378	1,432,253	358,263	86,655	23,874,090
Operating costs	(16,509,297)	(3,015,995)	(432,777)	(249,617)	(40,835)	(19,813,236)
GROSS PROFIT	2,227,432	689,383	999,476	108,646	45,820	4,060,854
General and administration expenses	(222,094)	(30,443)	(31,194)	(47,045)	(8,456)	(350,555)
Other income	6,611	528	19,115	4,058	409	35,177
Other operating expenses	-	-	-	-	-	-
PROFIT FROM OPERATIONS	2,011,949	659,468	987,397	65,659	37,773	3,745,476
Finance costs	(372,579)	(339,538)	(239,913)	(3)	(2)	(1,007,340)
Share of loss from associates	-	-	-	-	-	(43,283)
Gain on dilution of interest in associates	-	-	-	-	1,191	1,191
PROFIT BEFORE TAXATION	1,639,370	319,930	747,484	65,656	37,771	2,696,044
Taxation	-	(150)	-	(34,348)	(8,185)	(44,063)
PROFIT FOR THE YEAR	1,639,370	319,780	747,484	31,308	29,586	2,651,981

3 months ended Sep 2015						
	Operations and Maintenance					
	Power Generation	Laraib plant	Hub plant	Narowal plant	Unallocated	Eliminations
	Hub plant	Narowal plant				
Turnover	21,448,487	4,213,593	1,300,312	224,294	-	(224,294)
Operating costs	(18,996,058)	(3,186,821)	(399,632)	(140,957)	-	214,391
GROSS PROFIT	2,452,429	1,026,772	900,680	83,337	-	(9,903)
General and administration expenses	(237,367)	(30,578)	(52,737)	(2,444)	(162)	-
Other income	2,799	4,071	25,705	29	8	-
Other operating expenses	(339,118)	(25,203)	-	(1,635)	-	-
PROFIT FROM OPERATIONS	1,878,743	975,062	873,648	79,287	(154)	(9,903)
Finance costs	(236,373)	(485,325)	(253,840)	(4)	(89,440)	-
Share of profit of an associate	-	-	-	-	253	-
PROFIT BEFORE TAXATION	1,642,370	489,737	619,808	79,283	(89,341)	(9,903)
Taxation	-	(577)	-	(25,371)	-	-
PROFIT FOR THE YEAR	1,642,370	489,160	619,808	53,912	(89,341)	(9,903)

12.2 SEGMENT ASSETS & LIABILITIES

As at Sep 30, 2016						
	Operations and Maintenance					
	Power Generation	Laraib plant	Hub plant	Narowal plant	Unallocated	Eliminations
	Hub plant	Narowal plant				
Assets	98,945,485	28,518,660	22,014,588	253,505	73,321	5,688,468
Liabilities	83,808,133	16,501,662	13,128,633	137,061	27,130	2,486,632
As at Jun 30, 2016						
	Operations and Maintenance					
	Power Generation	Laraib plant	Hub plant	Narowal plant	Unallocated	Eliminations
	Hub plant	Narowal plant				
Assets	101,251,101	28,080,321	22,876,939	306,530	86,869	5,276,234
Liabilities	87,612,804	16,469,654	14,738,468	212,561	70,320	2,444,995

12.3 The customers of the Group are WAPDA and NTDC (Power Purchasers) under the long term PPAs of the respective power plants. The obligations of Power Purchasers are guaranteed by the GOB under IAs of the respective power plants.

13. RELATED PARTY TRANSACTIONS AND BALANCES

Related party comprise associated companies, companies where directors also hold directorship, retirement benefit funds and key management personnel. Details of 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:

13.1 Details of Transactions

	Note	3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
Associate			
Reimbursable expenses incurred on behalf of CPHGC by HPHL		32,190	-
Associated Undertakings due to common directorship			
Amounts paid for services rendered		452	1,500
Procurement of stores, spares and consumables		1,164	-
Donation		500	1,500
Repayment of long term loans		92,857	28,525
Mark-up on short term borrowings		35,376	9,800
Interest / mark-up on long term loans		104,213	26,438
Other finance costs		1,359	14
Other related parties			
Remuneration to key management personnel		85,573	64,040
Salaries, benefits and other allowances		5,382	2,976
Retirement benefits		90,955	67,016
	13.1.1 & 13.1.4		
Directors' fee	13.1.2	5,750	6,900
Contribution to staff retirement benefit plans		19,809	4,829

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

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

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

13.1.4 The above figures do not include cost allocated by HPHL to CPHGC amounting to Rs.3.565 million (2015: Nil).

13.2 Details of Outstanding Balances

	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
Associate		
Receivable from CPHGC	100,461	68,271

Associated Undertakings due to common directorship

	Sep 2016 (Rs. '000s) (Unaudited)	Jun 2016 (Rs. '000s) (Audited)
Outstanding balance of long term loans	5,541,689	5,634,546
Outstanding balance of short term borrowings	2,102,898	1,353,153
Accrued markup on long term loans	77,242	67,828
Accrued markup on short term borrowings	27,390	25,451
Payable against purchase of consumables	-	617

Other related parties

Payable to staff retirement benefit plans	98,738	74,764
Directors' fee	200	-

3 months ended Sep 2016 (Rs. '000s)	3 months ended Sep 2015 (Rs. '000s)
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14. CASH AND CASH EQUIVALENTS

Cash and bank balances	3,182,472	2,682,300
Finances under mark-up arrangements	(19,629,128)	(9,340,644)
	<u>(16,446,656)</u>	<u>(6,658,344)</u>

15. DIVIDEND

- 15.1 The final dividend of Rs. 3.00 per share, amounting to Rs. 3,471.463 million for the fiscal year ended June 30, 2016 was approved at the Annual General Meeting of the holding company held on October 18, 2016. Hence, it will be accounted for in the period in which it is approved.
- 15.2 The Board of Directors of the holding company declared an interim dividend for the first quarter ended September 30, 2016 of Rs. 1.50 per share, amounting to Rs. 1,735.732 million, at their meeting held on October 26, 2016. 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.

16. RECLASSIFICATION

Certain prior year's figures have been reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparisons. However, there are no material reclassifications to report.

17. SUBSEQUENT EVENT

The holding company's 26% owned Joint Venture Company, M/s. China Power Hub Generation Company (CPHGC), which is undertaking 2x660MW Imported Coal Based Power Project at Hub Site, has been in discussion with the Government of Pakistan (GoP) on some potential improvement in the Required Commercial Operation Date (RCOD) of the 2x660MW Project as desired by the GoP. The potential implication of which could be Project getting reduced to 1x660MW, which would impact the Project.

Since CPHGC is awaiting finalization of the decision from GoP, the Power Purchase Agreement (PPA) and the Implementation Agreement (IA) of the Project have not yet been executed, which were required to be signed by October 11, 2016 under the terms of Letter of Support issued by the Private Power Infrastructure Board (PPIB) to CPHGC. However, the partners, led by China Power International Holding (CPIH) which has 74% holding in CPHGC, are making all efforts to resolve aforementioned timing issue with the GoP.

18. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on October 26, 2016 in accordance with the resolution of the Board of Directors of the holding company.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Khalid Mansoor
Chief Executive



Iqbal Alimohamed
Director