

AHL Brief Note: Power Generation

The Hub Power Company Limited

Financial Report Takeaways

The Hub Power Company, released its Sep'24 financial report today, below are key takeaways.

Brief Takeaways

- With respect to base plant termination, the agreement, all rights and obligations related to the PPA, IA, and sovereign guarantee have been terminated on 1st Oct'24. The company has received PKR 36.5bn from CPPA (G), which would be reflected in Dec'24 financial statement.
- Furthermore, traded receivables have decreased by PKR 26.4bn reaching at PKR 36.5bn as of Sep'24, due to the non-recognition of Late Payment Interest (LPI) as receivables.
- CPPA (G) will reimburse the company sales tax amount of PKR 8.5bn, if sales tax decision on the Capacity Payment Price (CPP) is made against the company.
- The worker welfare's fund (WWF) and Workers' profit participation fund (WPPF) will also be reimbursed to the company by CPPA (G) once decided by the Supreme Court, totaling PKR 5.0bn.
- Additionally, all of the company's outstanding obligations to PSO has been taken by CPPA (G) and the Government of Pakistan and settled in HUBC's financial statements.
- Consequently, trade payables have decreased from PKR 38.5bn to PKR 8.5bn as of Sep'24.
- Short-term borrowings have risen to PKR 40.1bn as of Sep'24, up from PKR 26.6bn in Jun'24, as the company has provided a long-term loan of PKR 23.0bn to its subsidiary.
- On the investments front, Mega Motors has signed a supply and manufacturing agreement and technical license agreement with BYD Auto industry. Moreover, the company has already signed distribution agreement in Jun'24 to launch and sell BYD's vehicle in Pakistan.
- Additionally, a new venture Hubco Green (Private) Limited is in process of incorporating for the purpose of installing of EV charging infrastructure.

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