

A large, vibrant landscape photograph of a mountain range serves as the background. A bright sun is positioned in the center of the image, creating a strong lens flare that radiates across the scene. Overlaid on this image is a large, dark, semi-transparent graphic element that resembles a stylized 'H' or a mountain peak, which frames the central sun and the text below.

DRIVEN TO RISE

INTEGRATED ANNUAL REPORT 2025





DRIVEN TO RISE

HUBCO's journey is defined by a deep-rooted drive to evolve, create impact and contribute meaningfully to Pakistan's progress. With a strong foundation in power generation, the Company has grown into a more dynamic and forward-looking enterprise, expanding its role in shaping the nation's future through thoughtful diversification and long-term value creation.

This evolution is paving the way for a new legacy, guided by a clear vision to lead with purpose, grow with responsibility and rise in a way that uplifts communities, strengthens industries and supports the country's sustainable growth.

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Integrated Reporting Approach

This Integrated Report outlines how HUBCO’s core values and governance model incorporate sustainable practices to have a positive impact on the economy, environment, and society highlighting impacts on material matters relevant to HUBCO and its stakeholders. The non-financial information disclosed in this report reflects the consolidated operations of HUBCO and its businesses in which we have significant operational control.

Organization Details

Legal Name	The Hub Power Company Limited
Nature of Ownership and Legal Form	Public Listed Company
Location of Head Office	Karachi, Pakistan

Reporting Period

HUBCO prepares and publishes its Integrated Annual Report on an annual basis. This report covers the period from July 1, 2024 to June 30, 2025 for both financial and sustainability disclosures.

Reporting Content

This integrated report is aligned with the following legal, regulatory and reporting frameworks:

- Companies Act & related pronouncements
- Listed Company (Code of Corporate Governance) Regulations, 2019
- Global Reporting Initiative (GRI) Standards 2021
- Applicable International Financial Reporting Standards (IFRS), S1 and S2
- SECP ESG Disclosure Guidelines
- Best Corporate Report Guidelines by ICAP & ICMA
- PSX Rule Book

Reporting Methodology

This report is prepared with inputs from cross-functional teams with review and oversight provided by respective departments. Data has been prepared based on calculations guided by international standards and best practices as per the above-mentioned reporting frameworks.

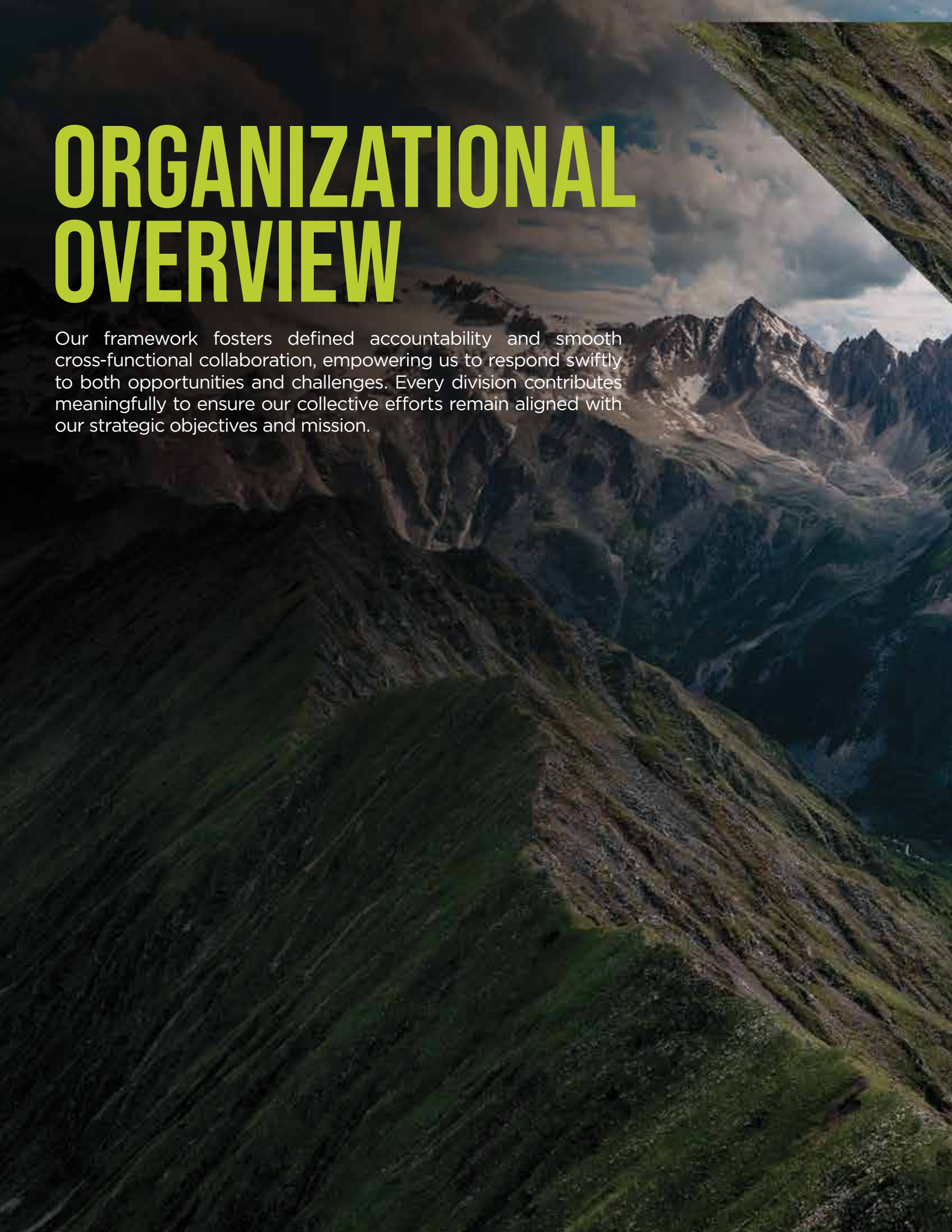
Audience

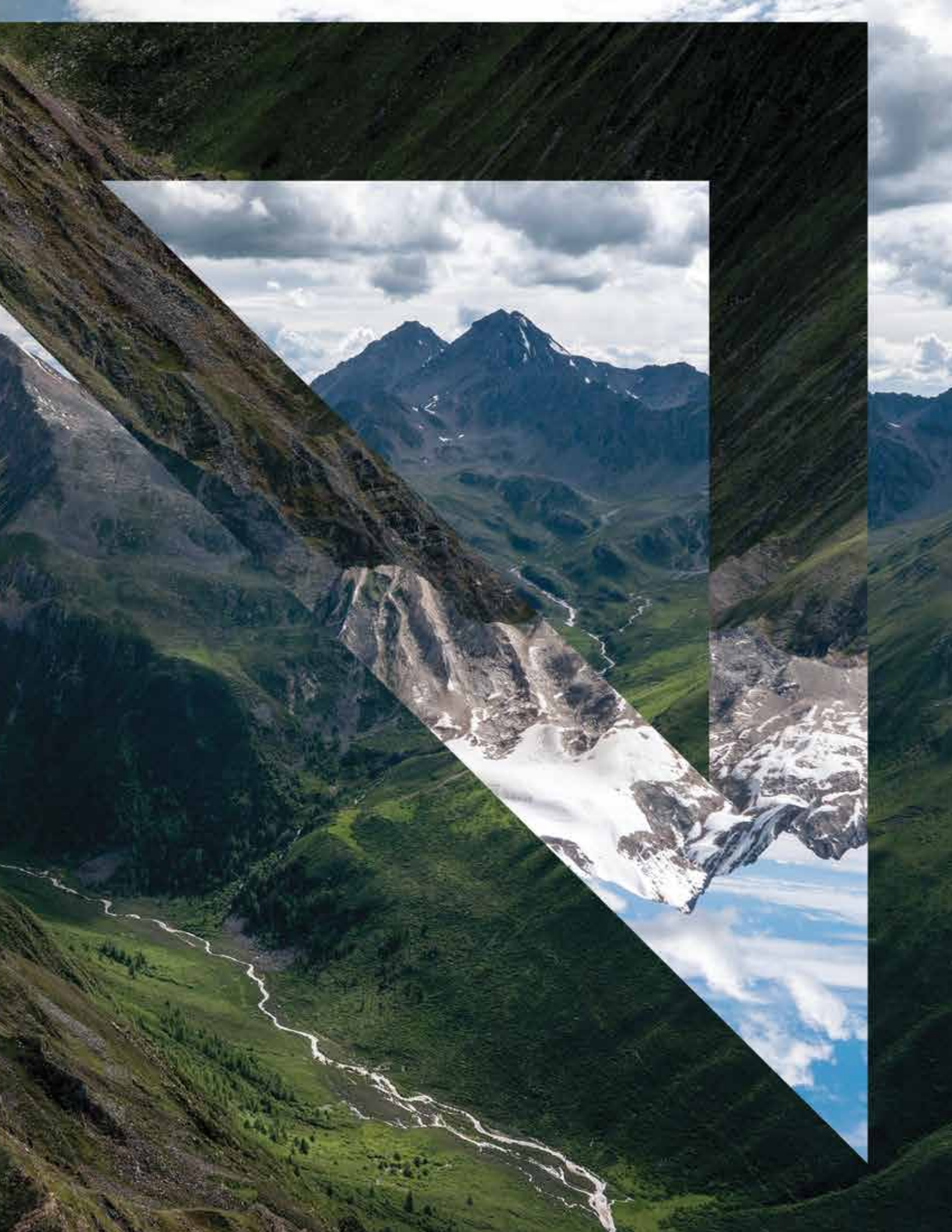
This report is prepared for all HUBCO stakeholders including regulators, shareholders, investors, partners, employees, entities, communities or individuals directly or indirectly affected by the activities and services of the Company. HUBCO engages with these stakeholders regularly to develop and strengthen its understanding of their concerns. This report provides stakeholders with a holistic view of how HUBCO creates sustainable value across the economy, environment and society.



ORGANIZATIONAL OVERVIEW

Our framework fosters defined accountability and smooth cross-functional collaboration, empowering us to respond swiftly to both opportunities and challenges. Every division contributes meaningfully to ensure our collective efforts remain aligned with our strategic objectives and mission.





Company Profile

The Hub Power Company Limited (HUBCO) is Pakistan's first and one of the largest Independent Power Producers (IPP) with a combined power generation capacity of 2,289 MW, and now a diversified group with investments in power, mining, oil & gas, NEVs and EV charging infrastructure.

○ Vision

"Fueling lives through energy."

○ Mission

"To be a growth-oriented company recognized for international standards in safety and environment in providing reliable and affordable energy; serving the country, its stakeholders and local community as a responsible corporate citizen."



Code of Conduct

General principles

1. As a general rule, HUBCO employees are expected to promote the Company's best interests whilst maintaining the highest standards of personal integrity and business practice.
2. HUBCO's employees must act at all times in the interests of the Company's shareholders, and must abide by the Company's stated standards of environmental, safety and management practice.
3. No employee should ever commit an illegal or unethical act, or instruct or encourage another employee to do so. The known laws and regulations of the country should always be observed.
4. Employees should also be aware that the way in which others perceive our business relationships can be equally important; even perfectly ethical acts may be open to misinterpretation.
5. Therefore, in everything we do, we should always ask ourselves whether any of our actions, if known publicly in the locality and in the country as a whole, could be damaging to HUBCO in any way. If your proposed action appears to fail this test, it should not be progressed, and further line management advice should be sought.
6. The key to achieving the necessary standards of conduct is likely to be openness, with transparent recording of actions, and full declarations of all interests and concerns to line management.
7. Compliance is also required with the various policies, procedures and control guidelines issued from time to time by the Company.

Specific requirements

Relations with officials and prospective business partners

1. These relationships should be conducted ethically and within the law. Unethical or unlawful payments should neither be made nor received, directly or indirectly, regardless of the amount.
2. We should strive at all times to avoid practices that might be construed to promote our own or the Company's interests by other than legitimate means. Integrity in our dealings is a prerequisite for successful and sustained business relationships.

3. It is Company policy not to make political donations. Some of the issues likely to give rise to difficult decisions or uncertainty as to the proper course of action are:

Laws of Pakistan

The laws of Pakistan should be obeyed. The traditions, culture and conventions of the Country should also be respected.

Commissions, fees and similar payments

1. Commissions, consultant's fees, retainers, loans, or similar payments should be clearly related to, and commensurate with, the services being performed. Should this clear relationship do not exist, or could such payments be regarded as an improper inducement, they should not be made or accepted.
2. Agents or advisers, acting on our behalf should be made aware of our ethical values and expectations.

Public activities

Where its experience can be useful, the Company is encouraged to co-operate with governments, individuals, agencies and other organizations in the development of proposed legislation and other regulations, which may affect such legitimate interests.

HUBCO is also encouraged to respond to requests from governments and other agencies for information, observation or opinions on issues relevant to business and the community in which they operate.

Political activities

The Company does not support any political party or activity. Employees may have their own opinions. However, these must not be used to influence the Company's way of doing business.

Corporate affairs

In order to defend and promote its legitimate interests, HUBCO has adopted the strategy of strengthening its corporate affairs activities. Corporate affairs are conducted under the direction of the Board through the CEO.

No employee is allowed to take a representative role vis-à-vis government bodies, trade associations or the media unless authorized by the CEO for specific instances.

The following are some examples, which conflict with the above principle:

- Media statements
- Participation in non-HUBCO conferences, seminars etc. on behalf of HUBCO
- Membership of trade associations

Corrupt business practices

HUBCO does not give or receive bribes in order to retain or bestow business or financial advantages. HUBCO employees are directed that any demand for or offer of such bribe must be immediately rejected and reported to the Management.

Relations with suppliers and customers

1. All the guidelines above, which are designed to promote ethical conduct with business partners, apply.
2. The Company's policy is that competitive tendering should be adopted wherever possible. HUBCO cannot afford to show partiality towards any company with whom it does business. This is especially true of any company which is seeking to secure a supply contract.
3. The establishment of long-term and close relations between purchasers and suppliers is recognized, in the right context, as having the potential to benefit both the parties to such an arrangement and those with whom they deal. However, HUBCO employees and representatives are required to avoid relationships, whether with suppliers or others, which are, or might have the appearance of being contrary to the principles of fair competition.

Proper control and accounting

1. The Company must maintain an adequate system of internal control and strict compliance with Company policies.
2. Prescribed accounting systems and rules should be set in place to ensure that all transactions are accurately recorded and that no secret or other assets are established or maintained.
3. If, regardless of HUBCO's efforts in this regard, standards are not applied in companies in which the Company has an interest, HUBCO's representative should refer the matter to the Leadership Team.

Reports and periodic reviews

1. Any employee who is requested to engage in any activity which is or may be contrary to this Policy will promptly report such information to the manager whom the individual reports, or, if the employee was so directed by the manager, then to assigned Company legal counsel.
2. Any employee who acquires information that gives the employee reason to believe that any other employee is engaged in conduct forbidden by the Policy will promptly report such information to the manager to whom the employee reports or, if the manager is engaged in such conduct, then to the assigned Company legal counsel.



Our Values



Principal Business Activities & Markets

The Hub Power Company Limited

Subsidiaries

- Hub Power Holdings Limited (HPhL)
- Hub Power Services Limited (HPSL)
- Laraib Energy Limited (LEL)
- Narowal Energy Limited (NEL)
- Thar Energy Limited (TEL)
- Ark Metals (Pvt.) Limited (AMPL)
- HUBCO Green (Pvt.) Limited (HGL)

Associates & Joint Ventures

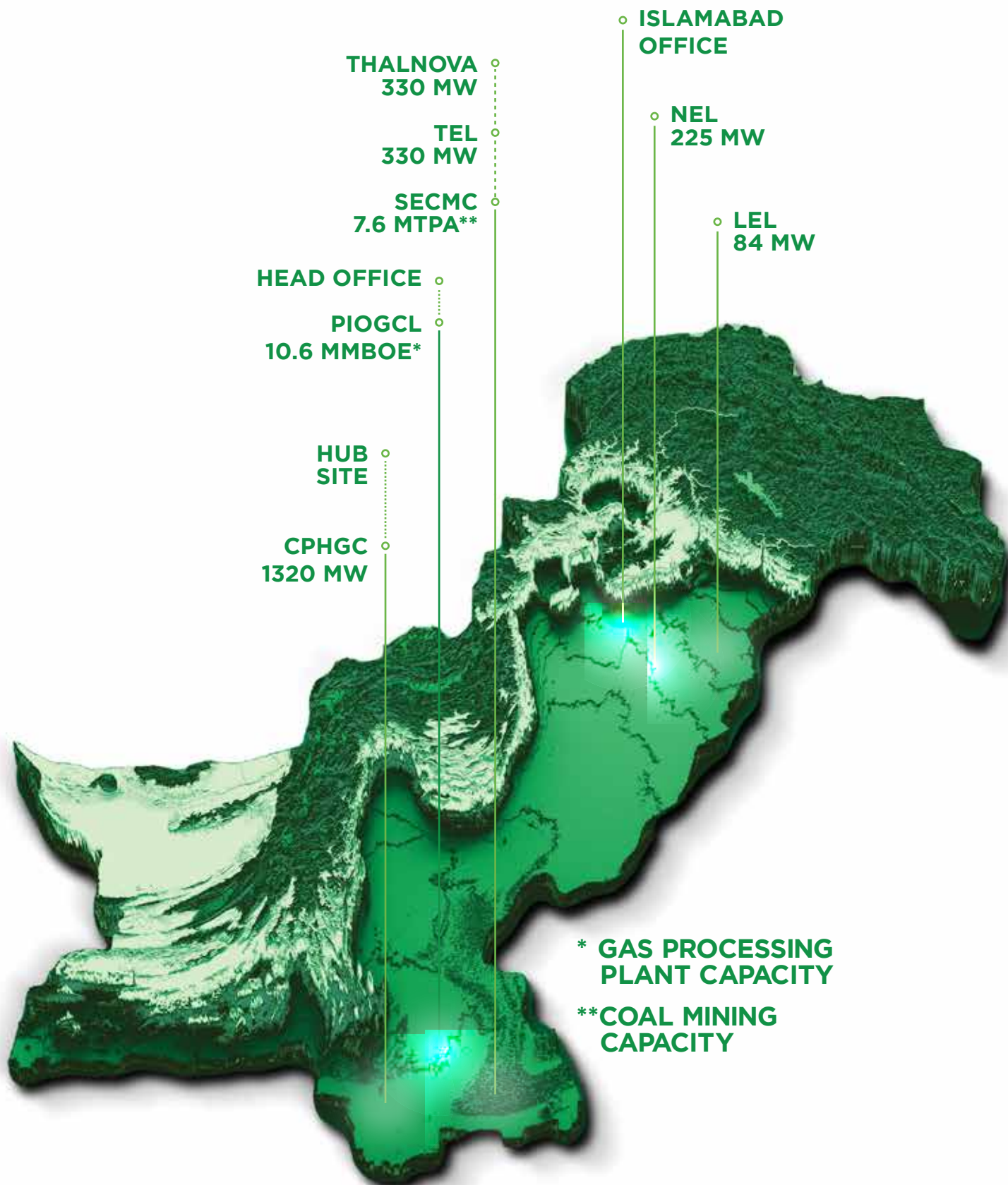
- China Power Hub Generation Company (Pvt.) Limited (CPHGC)
- ThalNova Power Thar (Pvt.) Limited (TNPTL)
- Mega Motor Company (Pvt.) Limited (MMCPL)
- Prime International Oil & Gas Company Limited (PIOGCL)
- China Power Hub Operating Company (Pvt.) Limited (CPHOC)

Others

- Sindh Engro Coal Mining Company Limited (SECMC)



Geographical Presence



Key Highlights

Capacity 

➤ **2,289** MW

Revenue 

➤ **83** bn
PKR

Net Profit 

➤ **52** bn
PKR

No. of
Employees 

➤ **589**

Philanthropy 

➤ **182** mn
PKR

Company Information

Board of Directors

Mr. M. Habibullah Khan	Chairman
Mr. Kamran Kamal	Chief Executive Officer
Mr. Aly Khan	Member
Ms. Aleeya Khan	Member
Mr. Manzoor Ahmed	Member
Ms. Samina Mumtaz Zehri	Member (GOB Nominee)
Mr. Syed Bakhtiyar Kazmi	Member
Mr. Saad Iqbal	Member
Mr. Shafiuddin Ghani Khan	Member

Company Secretary

Ms. Faiza Kapadia Raffay

Board Audit Committee Till Oct 4, 2024	Board Audit & Risk Committee Effective Oct 5, 2024 (post elections)
Mr. Manzoor Ahmed (Chairman)	Mr. Saad Iqbal (Chairman)
Mr. Aly Khan	Mr. Aly Khan
Mr. Saad Iqbal	Mr. Manzoor Ahmed
Mr. Syed Bakhtiyar Kazmi	Mr. Syed Bakhtiyar Kazmi

Board Nomination & Compensation Committee Till Oct 4, 2024	Board Nomination, Compensation & Sustainability Committee Effective Oct 5, 2024 (post elections)
Mr. Saad Iqbal (Chairman)	Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Aly Khan	Mr. Aly Khan
Ms. Aleeya Khan	Mr. Manzoor Ahmed
Mr. Manzoor Ahmed	Ms. Aleeya Khan

Principal Bankers

1. Albaraka Bank Limited
2. Allied Bank of Pakistan
3. Askari Bank Limited
4. Bank Alfalah Limited
5. Bank Al-Habib Limited
6. Bank Islami Pakistan Limited
7. Bank of Punjab
8. Dubai Islamic Bank Pakistan Limited
9. Faysal Bank Limited
10. Habib Bank Limited
11. Habib Metropolitan Bank Limited
12. Industrial & Commercial Bank of China
13. JS Bank Limited
14. MCB Bank Limited
15. MCB Islamic Bank
16. Meezan Bank Limited
17. National Bank of Pakistan
18. Pak Brunei Investment Company Limited
19. Pak Kuwait Investment Company (Pvt.) Ltd.
20. Samba Bank Limited
21. Saudi Pak Industrial & Agricultural Investment Company Limited
22. Standard Chartered Bank (Pakistan) Ltd.
23. United Bank Limited

Legal Advisor

Syed Jamil Shah

Auditors

A.F. Ferguson & Co. Chartered Accountants

Registrar

FAMCO Share Registration Services (Pvt) Ltd.

Shariah Auditors

Reanda Haroon Zakaria Aamir

Salman Rizwan & Company Chartered Accountants

Shariah Advisors

Alhamd Shariah Advisory Services (Pvt) Ltd.

Mufti Hafiz Muhammad Shoaib

Addresses of all Business Units

Hub Plant & CPHGC Plant

Mouza Kund, Post Office Gaddani,
District Lasbela, Balochistan

Narowal Plant

Mouza Poong, 5 Km from
Luban Pulli Point on Mureedkay-Narowal
Road, District Narowal, Punjab

Laraib Plant

New Bong Escape Hydro-Electric
Power Complex, Village Lehri, Tehsil & District
Mirpur, Azad Jammu & Kashmir

TEL Plant

Block-II, Thar Coalfield, Islamkot (Dist. Tharparkar), Sindh

TN Plant

Block-II, Thar Coalfield, Islamkot (Dist. Tharparkar), Sindh

HUBCO Head Office

9th floor, Ocean Tower, Block-9 Clifton Karachi

PIOGCL Head Office

5th Floor, The Fourm G-20, Block-9,
Khayaban-e-Jami, Clifton, Karachi

Islamabad Head Office

Office No. 12, 2nd Floor, Executive Complex,
G-8 Markaz, Islamabad

CPHGC Head Office

Ocean Tower, Block-9, Clifton, 10th Floor, Karachi

CPHOC Head Office

Ocean Tower, Block-9, Clifton, 10th floor, Karachi

MMCPL Head Office

Ocean Tower, Block-9, Clifton, 10th Floor, Karachi

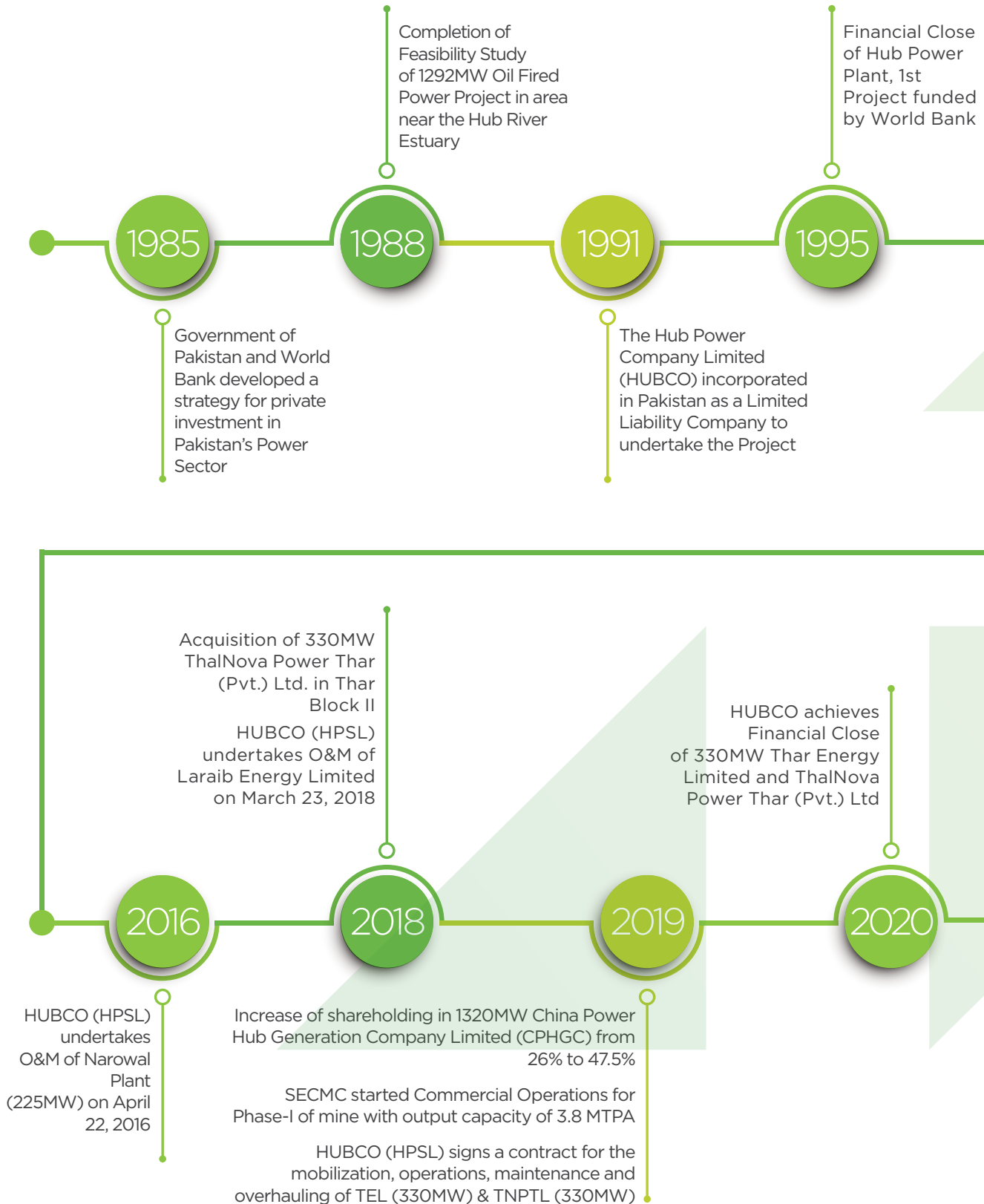
HGL Head Office

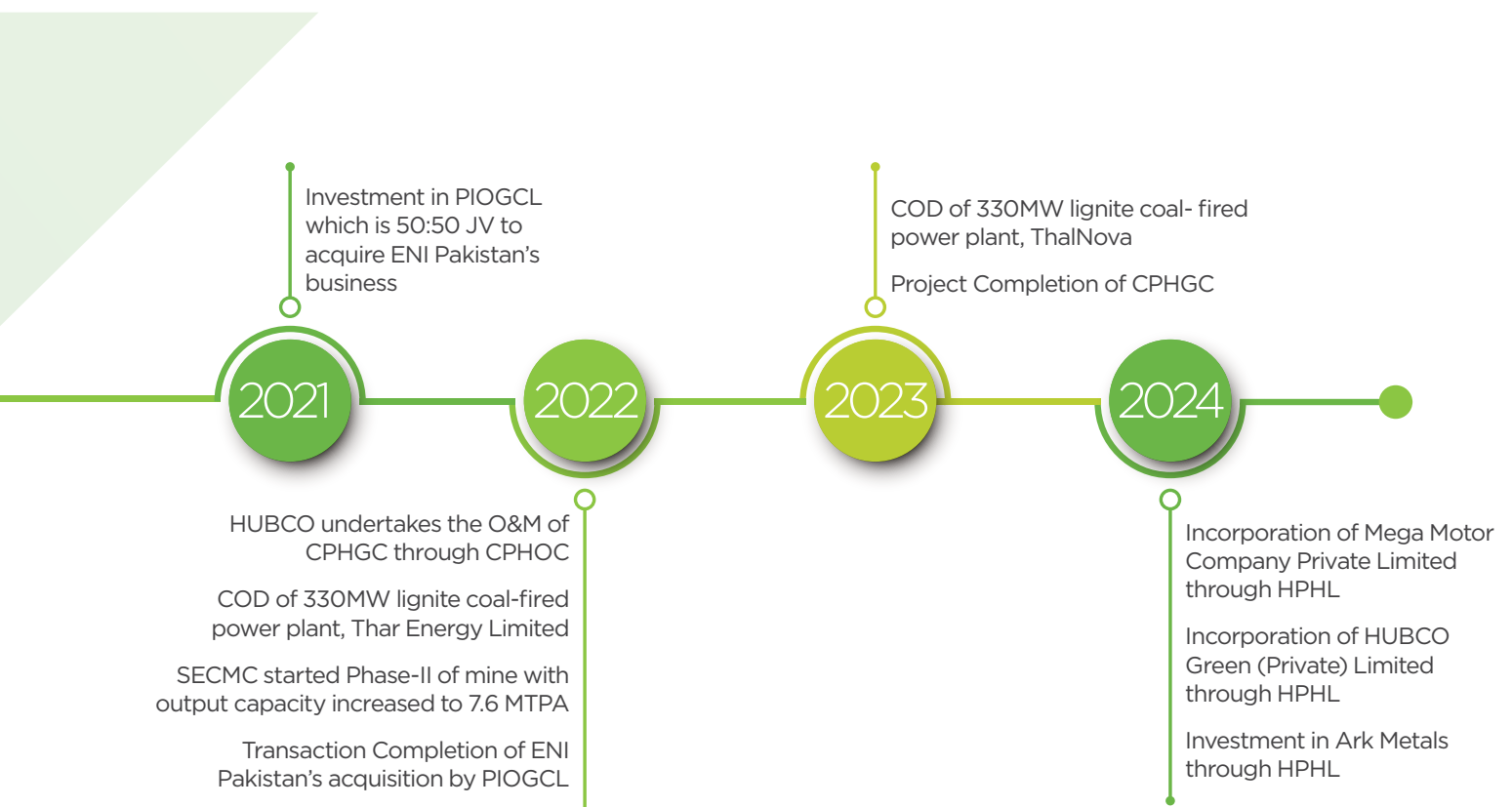
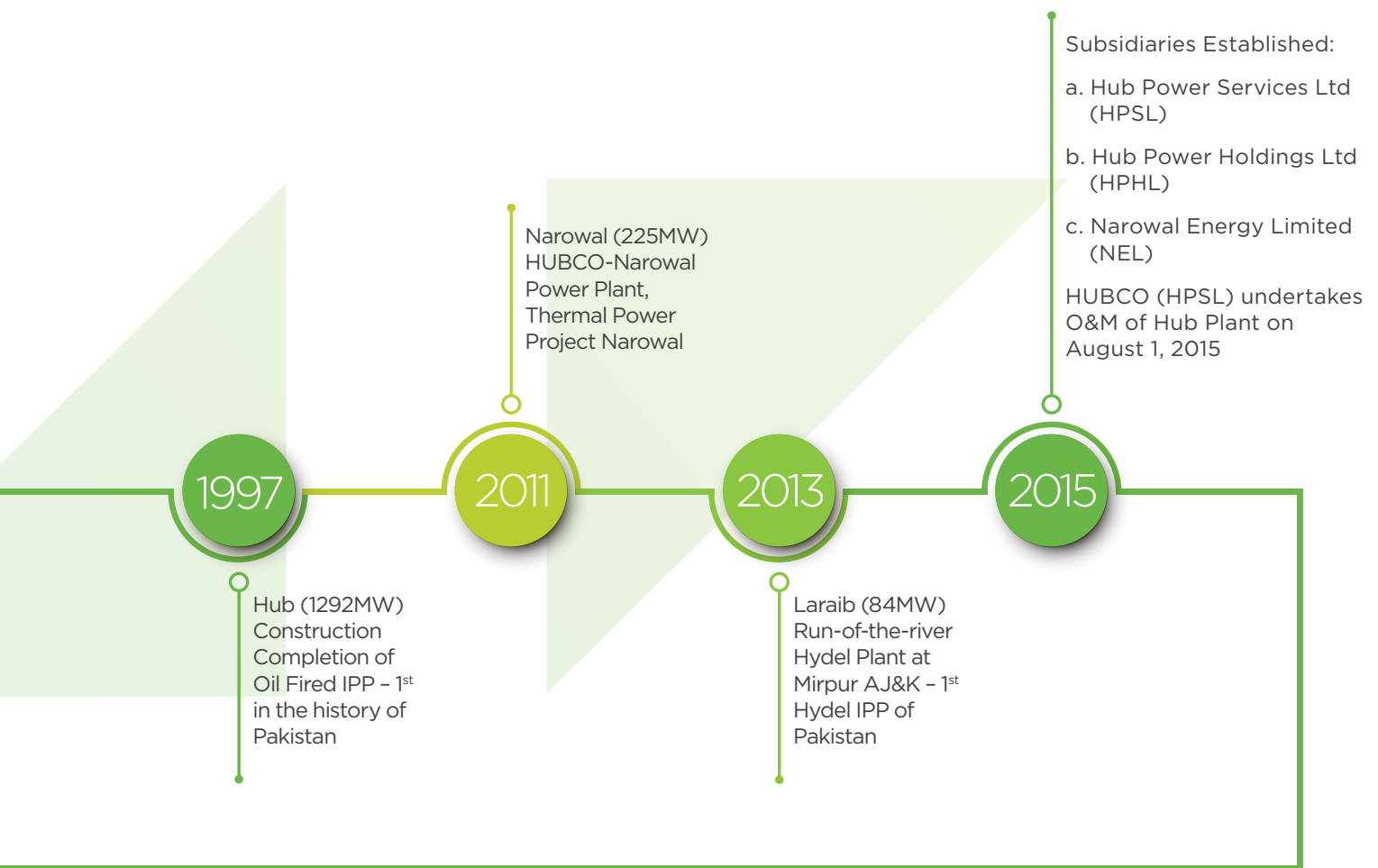
Ocean Tower, Block-9, Clifton, 9th floor, Karachi

Ark Metals Head Office

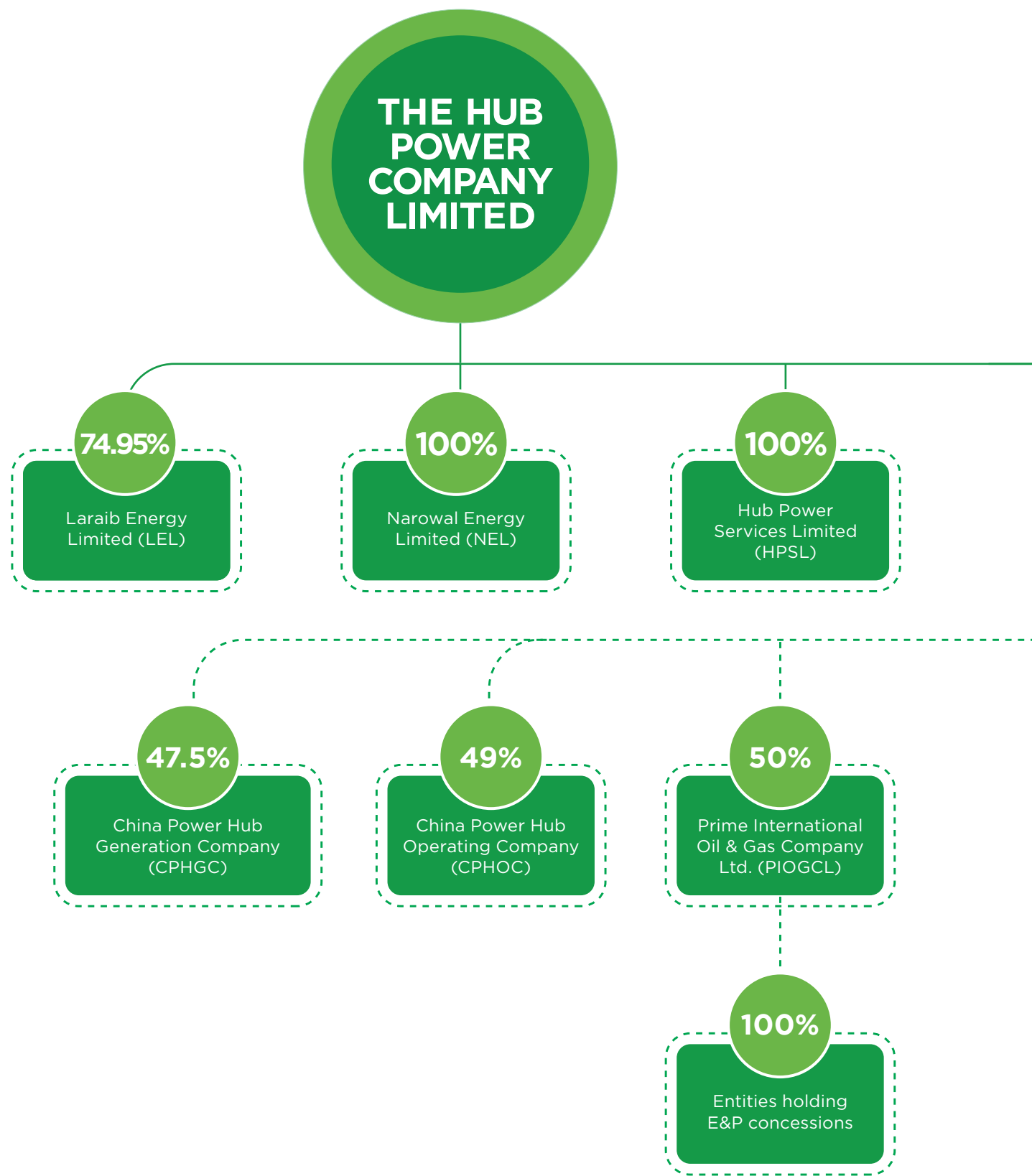
F402, Daudabad, Sasoli Street, Opposite Deputy Commissioner
Office, Dalbandin, District Chagai, Balochistan

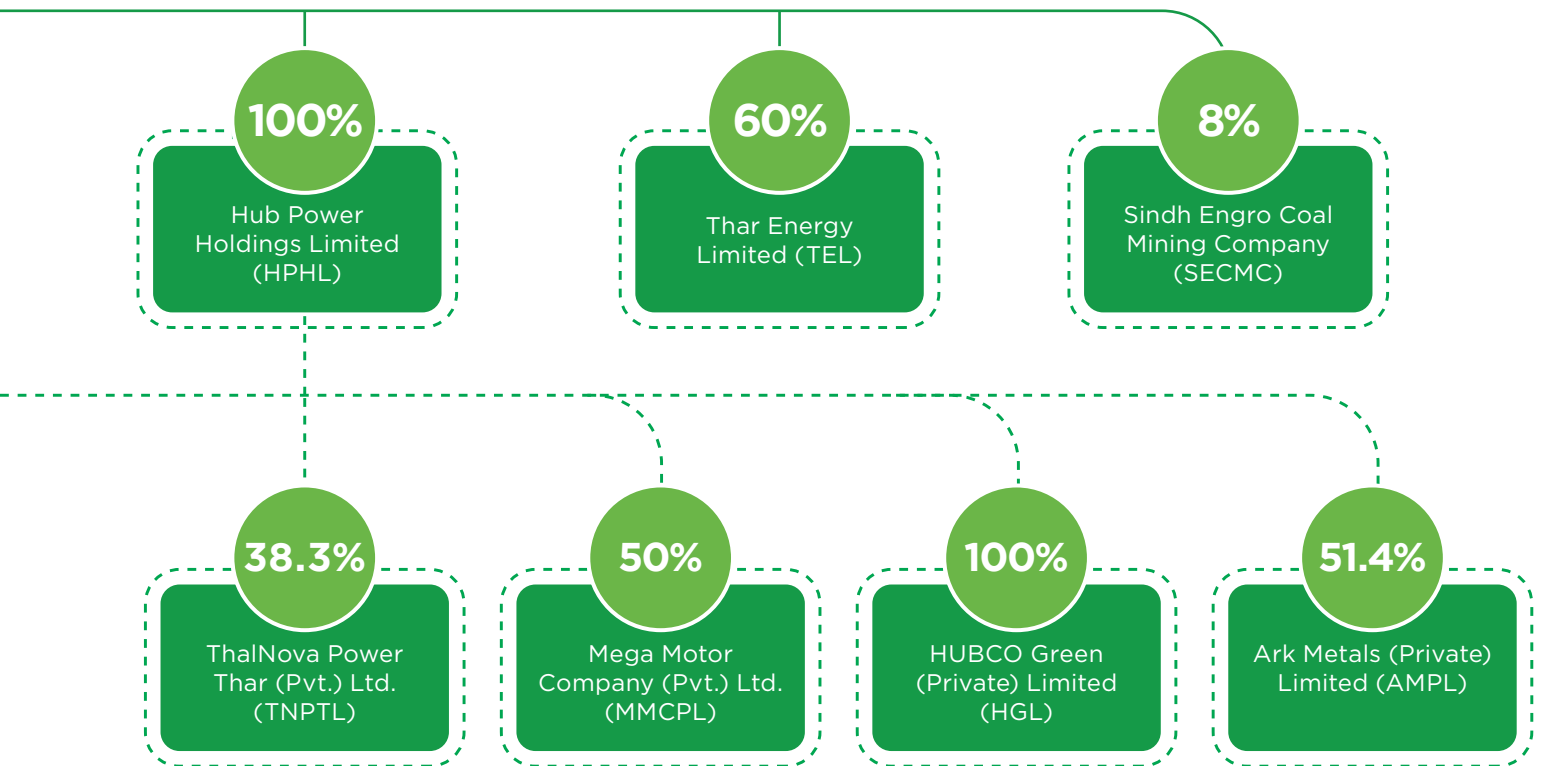
Major Milestones





Group Structure





SWOT Analysis

S

Strengths

- Technical expertise in diverse power generation technologies, including indigenous fuel-based power generation
- Country-wide geographical presence
- Experience in development and execution of multi-billion-dollar projects
- Experienced workforce capable of managing large-scale projects, with diversified and successful history of Operations and Maintenance (O&M)
- Best in class management and governance practices
- Diversified portfolio in collaboration with market leaders to enhance operational capabilities and brand value
- Expansion into the NEV market as a response to global and local shifts towards sustainable transportation

W

Weaknesses

- Regulated returns on investment
- Potential supply chain disruptions due to geopolitical instability and economic challenges

O

Opportunities

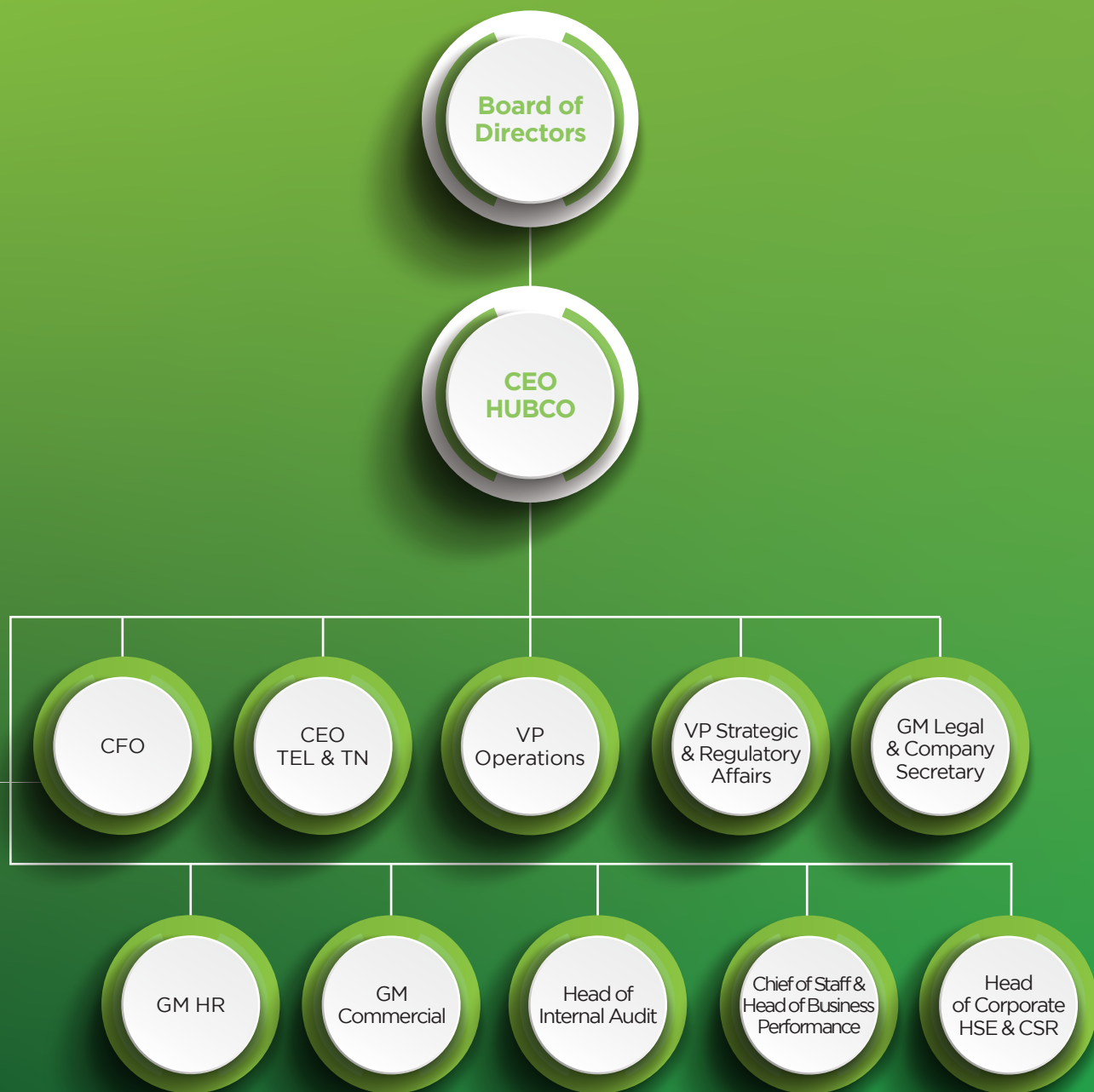
- Government policies promoting e-mobility and EV charging infrastructure development
- Diversification via energy value chains other than power generation
- International partnerships enhancing technological capabilities

T

Threats

- Weak macro-economic factors along with rupee devaluation and volatile exchange rates
- Inconsistent government policies and political instability affecting long-term strategic planning

Organization Chart



VALUE CHAIN POSITIONING

HUBCO has strategically evolved from a power generation company into a dynamic investment company with a diversified portfolio spanning oil & gas, mining, operations & maintenance services, and electric mobility. The Company is positioned across the investment value chain by identifying, developing and advancing opportunities that contribute to long-term value creation. As a diversified investment entity, we focus on optimizing each stage, from strategic planning and capital allocation to operational oversight and risk management, ensuring efficiency, sustainability and resilience across our portfolio. Our integrated approach enables us to unlock synergies and deliver measurable impact, while maintaining a strong commitment to governance and stakeholder value.

External Environment

The Legislative and Regulatory Environment in Which the Organization Operates

Our operations are anchored in a comprehensive legislative and regulatory landscape, ensuring strict adherence to power sector policies, environmental laws and established industry standards. This strong alignment reinforces our dedication to responsible operations, long-term sustainability and continuous performance excellence.

Power Policies and Regulatory Bodies

Our operations are governed by National Electric Power Regulatory Authority (NEPRA), a primary regulatory authority that plays a pivotal role in ensuring the provision of reliable, safe and efficient electricity through a comprehensive framework that encompasses licensing, tariff determination, performance benchmarks and compliance enforcement.

Licensing and Compliance

To operate effectively within this regulatory landscape, we hold various licenses and permits that authorize our activities in power generation. Compliance with these licenses involves regular reporting, adherence to safety standards and participation in performance audits, ensuring our operations meet or exceed regulatory expectations.

Health and Safety Standards

We are deeply committed to safeguarding the health and safety of our employees, contractors and neighboring communities. This commitment is reflected in our strict compliance with local health and safety regulations and the implementation of robust process safety protocols. Regular training programs and rigorous monitoring systems help prevent workplace incidents and maintain a secure working environment. To track our Health Safety and Environment (HSE) performance effectively, we hold regular HSE Committee meetings, chaired by senior leadership and attended by all plant managers and the Head of Corporate HSE. This structured governance ensures that Process Safety Management is fully embedded across our operations, reinforcing our focus on upholding the highest safety standards.

Environmental Regulations

Environmental sustainability is integral to our operations, shaped by both national and international regulatory standards. We strictly adhere to the Environmental Protection Act, overseen by the Pakistan Environmental Protection Agency (Pak-EPA), which mandates comprehensive Environmental Impact Assessments (EIAs) for our projects. These EIAs identify potential environmental risks and prescribe mitigation strategies to minimize negative impacts. Our compliance reflects a strong commitment to minimizing the environmental footprint of our power generation activities.

Engagement with Stakeholders

Our stakeholder engagement strategy ensures transparent and frequent communication with key partners, including investors, regulatory bodies, financial institutions, media, employees and the local community. We maintain regular updates and meetings with investors, customer, suppliers and financial analysts to foster trust and operational efficiency.

Corporate Governance and Ethical Practices

HUBCO complies with the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP), which sets forth principles of transparency, accountability and ethical conduct. Our governance framework is underpinned by strong internal controls, periodic audits and a steadfast commitment to ethical business practices, ensuring responsible operations that protect stakeholder interests and uphold corporate integrity.

External Environment Analysis and Organization's Response

Our operations continue to be shaped by various external factors, which we proactively monitor and address through a dynamic strategic approach. In the short term, we are responding to rising economic pressures and financial market volatility by prioritizing operational efficiency, cost optimization and capital discipline. These measures are aimed at stabilizing performance and safeguarding cash flows amid a challenging macroeconomic environment. Over the medium term, we are addressing shifts in technological advancements and growing environmental expectations by diversifying into clean mobility and expanding our EV infrastructure. Our enhanced ESG practices ensure we remain aligned with evolving stakeholder and regulatory expectations, including the UN SDGs. In the long term, we are preparing for investing in scalable, sustainable ventures that align with global sustainability trends. Our response to increasing regulatory and governance scrutiny includes developing a comprehensive ESG policy charter, which is set to be finalized in FY 2025-26.





GOVERNANCE

HUBCO maintains a firm commitment to transparency and accountability, embedded across all levels of the organization. Our structured checks and balances promote ethical conduct and ensure robust oversight. This strong governance foundation drives responsible decision-making and supports our long-term growth ambitions.

Board & Leadership



Mr. M. Habibullah Khan
Chairman

Mr. Habib Ullah Khan is the Founder and Chairman of Mega Conglomerate. The Mega & Forbes Group of Companies (Mega Group - MFG) is a diversified conglomerate with business holdings including two of the largest container terminals with land side facilities value addition rail-link to ICDs (40% market share with homeland security clearance for all USA traffic) in the country, third largest dairy producer (FMCG), top tier cement manufacturing company (5.2m++ tons/annum capacity), vertically integrated shipping & logistic company, majority ownership of Pakistan's largest independent power producer / energy utility / mining (appx 20% ttl countries power produced), oil & gas / E & P sector (gas fields, ex. ENI Italy assets), fintech (largest payment platform) and a progressive real-estate developer (hotel metropole, mixed multi-estate development and two of the largest corporate real estate transactions in the country) responsible for the first L.E.E.D. certified commercial building in Pakistan and currently introducing a new line of business of electric vehicles with BYD Auto Industry Limited in Pakistan, through HUBCO's subsidiary HPHL and its associated company Mega Motor Company (Private) Limited.

As a prolific philanthropist, Mr. Khan has been a patron of many social and environmental initiatives over the last four decades and is strongly associated with various CSR/charitable causes in the country.

Renowned global industrialist & businessman, especially with the expertise in operating large JV with several fortune 500 companies in the countries infrastructure, operates several of the largest listed companies in the Pakistan Stock Exchange.



Mr. Kamran Kamal
Chief Executive Officer

Mr. Kamran Kamal is an energy technology and policy specialist with experience in several different areas, including business strategy, wholesale electricity market reforms, electricity derivatives, energy technology evaluation, and large-scale infrastructure project structuring. He holds a Masters in Public Policy from Harvard University and a Bachelor's degree in Electrical and Computer Engineering from Georgia Tech.

He joined HUBCO as the Chief Executive Officer of Laraib Energy Limited, Pakistan's first Hydel Independent Power Plant (IPP). Prior to becoming CEO of Laraib Energy Limited, Mr. Kamal held the position of Vice President at China Power Hub Generation Company, where he was responsible for the development of the Barge Jetty and fuel supply chain for a 1320 MW Coal-fired Power Plant.

Previously, he was Commodities Trade Head at Engro EXIMP FZE, where he managed Fertilizer, Coal, Oilseeds, and Sugar Trading Portfolios. His work there allowed the organization to grow into new geographical locations and expand its commodities portfolio. Mr. Kamal was also involved in major energy and infrastructure projects, including Thar Coal Mining & Power Plant, LNG Floating terminal, and RLNG-based power plant.

Throughout the years, Mr. Kamal has been responsible for large capital projects, building organizational capabilities, and overall business delivery in both management, executive and board roles. Currently, he is also a member of Board of Directors at K-Electric Limited, Sindh Engro Coal Mining Company Limited and China Power Hub Generation Company (Private) Limited.



Mr. Aly Khan

Mr. Aly Khan holds a Master of Sciences from Boston College and a Bachelor of Sciences from Northeastern University.

Over the course of the last decade, he has cultivated his professional career working in London, Singapore and New York for various global institutions including Citi Group and Yang Ming Marine Transport Corporation in several management and training capacities.

In Pakistan, Mr. Khan has extended valuable contributions to multiple ventures through key management roles including spearheading the construction and operation of Pakistan's first commercial L.E.E.D. Certified Building, setting up a state-of-the-art 10,000 ton per day cement plant, and growing one of the country's largest dairy businesses' sales to 600,000 liters per day. Additionally, he has been instrumental in partnering with BYD for the widespread adoption of NEVs in Pakistan.

He is the Chairman of Pioneer Cement Ltd. and Haleeb Foods Ltd. and a Director of Qasim International Container Terminal. He is a SECP certified director in corporate governance.



Ms. Aleeya Khan

Ms. Aleeya Khan holds a Master's in Architecture from Columbia University and a Bachelor's in Urban Design & Architecture from New York University.

Aleeya spent time at New York-based award-winning-practice, Beyer Blinder Belle renowned for pioneering a different approach to design, during the wake of the urban renewal movement in the United States. After finishing her formal education, Aleeya Khan worked at Only - If Architecture specializing in facade and other architectural design techniques for projects in an urban metropolitan landscape.

She returned to Pakistan in 2017, to explore the local real estate market (amidst a boom in development) within her family business as an Executive Director at Imperial Builders & Developers (Pvt.) Ltd. ("IDBL"), the construction and development arm of one of Pakistan's largest business groups - Mega Conglomerate.

As a female executive, Aleeya has led multi-disciplinary teams from design to project completion. Her passion for entrepreneurship and desire to disrupt stigmas around women-led practices in her region led to the creation of Aleeya. design studio (A.). Whilst cultivating her personal design philosophy, Aleeya Khan remains committed to achieving design excellence. Through her exposure and deep understanding of technical design, her firm's involvement in landmark project's combined with a woman-led team - Aleeya Khan brings an alternate perspective and distinct identity, with a vision to leave a lasting impact on her region.

Ms. Aleeya Khan also serves as a Director of Pioneer Cement Ltd. and Haleeb Foods Ltd. and is an SECP certified director in corporate governance.



Mr. Manzoor Ahmed

Mr. Manzoor Ahmed assumed charge of the post of Managing Director (Acting), National Investment Trust Limited on February 14, 2025. Being, COO, he has been successfully managing the operations and investment portfolio worth over Rs. 215 billion.

He has experience of over 33 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, product development, research and liaising with the regulatory authorities.

He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019.

He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan.

Presently, he is pursuing Chartered Financial Analyst (CFA) level III. Mr. Ahmed has also attended various training courses organized by institutions of international repute like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA). Mr. Ahmed has vast experience of serving on the Boards of various top-ranking companies of Pakistan belonging to the diverse sectors of economy. Currently, he represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies including commercial banks of Pakistan. Mr. Ahmed is a Certified Director from Pakistan Institute of Corporate Governance.

Mr. Ahmed is member of the Defence Authority Country & Golf Club – Karachi, Rotary Club- Karachi and is also member of Executive Committee of a Hospital for welfare of underprivileged.



Mr. Saad Iqbal

As the Director, Mr. Saad Iqbal brings over 10 years of strategic leadership, operational excellence, and visionary thinking to the organization.

He started his career from his family business; under his leadership and direction the group of companies expanded to many renewable ventures. His dedication to continuous learning is evident through his acquisition of several certificates from esteemed institutions. With a proven track record of driving sustainable growth and fostering innovation, he has successfully led cross-functional teams, expanded market presence, and built strong stakeholder relationships. Mr. Saad Iqbal is known for his ability to align business objectives with long-term vision, ensuring both profitability and positive impact. Under his leadership, the company has achieved significant milestones, reinforcing its position as an industry leader. He is currently adding value to many listed businesses as CEO in Filters Pakistan (Pvt) Limited, Metro Wind Power Limited and Metro Solar Power Limited & Director in Gul Ahmed Energy Limited, Hub Power Company Limited, Metro Power Company Limited, Tariq Glass Industries Limited, Kot Addu Power Company Limited and Millat Tractors Limited. Passionate about empowering people and embracing change, Mr. Saad Iqbal continues to steer the organization toward new opportunities and greater success.



Mr. Syed Bakhtiyar Kazmi

Mr. Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance and tax reforms and strategic level advisory.

Mr. Kazmi served KPMG for 35 years; last 25 years as a partner. As a partner he interacted with the leadership in almost every industry, understanding their vision, their insights, and most importantly on their business strategies. His rigorous exposure to a diverse range of sectors and projects, enabled him to conceive and culminate strategic value additions for his clients, pertaining to public and private sector organizations. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients, and a cross-functional integration with the advisory and taxation services that allowed a robust and comprehensive service delivery package to the clients. As an auditor and an advisor, Mr Kazmi successfully delivered his promise of providing best-in-class and integrity driven services. With his career progression, he branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan. He almost single-handedly established advisory practice of KPMG in Islamabad about 2 decades ago which today arguably is the go-to advisory in Islamabad. This initiative covered financial projections, feasibilities, information memorandums, internal audit assessments, HR assessments, manuals for processes and controls, valuations, and development advisory which included an assessment of the Punjab and Sindh governments.

Mr. Bakhtiyar Kazmi has served on a number of diverse forums / boards in the Private Sector, Public Sector & Civil Society Organization. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation matters and issues, regularly published in reputable dailies. Mr Kazmi is an avid golfer and currently holds the position of captain of Islamabad Golf Club.



Mr. Shafiuddin Ghani Khan

Mr. Shafiuddin Ghani Khan holds a Bachelor of Science in Finance from the University of Oregon, USA. After completing his education, he returned to Pakistan and developed his family's real estate and construction business. He played a key role in constructing several townhouse projects in Karachi, particularly in the areas of DHA and Clifton.

Mr. Ghani has over two decades of management experience in the fields of construction, real estate, and telecommunications. He had an illustrious career with M/s Forbes Group/Forbes Forbes Campbell & Co. (Private) Limited, where he rose to the position of Chief Executive Officer. He was responsible for overseeing the operational affairs of various business units within the group, including shipping lines, logistics and communication equipment. His professional responsibilities encompassed a diverse range of business units, including marketing and sales, customer service and support, accounts, finance, and administration.

From 2009 to 2025, he provided guidance and leadership to the management. He was also on the Board of Haleeb Foods Ltd.



Senator Samina Mumtaz Zehri

Senator Samina Mumtaz Zehri, from Balochistan, is a distinguished parliamentarian affiliated with the Balochistan Awami Party (BAP). Sworn in as Senator in March 2021, she comes from a legal background, having been enrolled with the Sindh High Court, Sindh Bar Council and Karachi Bar Association. Her areas of legislative interest include corporate and financial reforms, human rights, criminal justice and institutional governance.

As a member of multiple Senate Standing Committees, Interior, Delegated Legislation, Defence and Defence Production, she has advanced reforms on judicial, police and prosecution systems, alongside legislation against bonded labour, human trafficking and discrimination against women. In May 2024, she was appointed Chairperson of the Senate Functional Committee on Human Rights, where she has focused on domestic violence, honour killings, mine workers' rights, climate impacts and human trafficking.

She also represented Pakistan at the UN Committee on the Elimination of Racial Discrimination in 2024 and played a leading role in Balochistan's 2022 flood relief. Through her writings and legislative work, she remains a strong voice for justice, equality and national unity.

Board & Functional Committees

The Board has established two Committees to conduct smooth operations of the Board and assist in decision-making. Both committees are chaired by independent directors.

The election for the Board of Directors was held on 5th October 2024 and the Board committees were reconstituted as follows:

Board Audit & Risk Committee (BA&RC)	Board Nomination, Compensation & Sustainability Committee (BNC&SC)
Mr. Saad Iqbal (Chairman)	Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Aly Khan	Mr. Aly Khan
Mr. Manzoor Ahmed	Ms. Aleeya Khan
Mr. Syed Bakhtiyar Kazmi	Mr. Manzoor Ahmed

Board Audit & Risk Committee (BA&RC):

The BA&RC assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders in compliance with the requisite legislative and regulatory standards, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors or their advisors as considered appropriate.

The committee meets quarterly to: 1) Scrutinize all financial statements and preliminary results announcements before Board review, ensuring compliance with IFRS and local regulations; 2) Evaluate internal control systems and risk management frameworks, with particular attention to fraud prevention; 3) Oversee both internal and external audit functions, maintaining private meeting protocols with auditors; and 4) Monitor legal/regulatory compliance, including investigation of whistleblower reports. The BA&RC maintains full access to company records and personnel, with all findings documented in detailed reports to the full Board, including any recommended corrective actions.

The BA&RC met five (5) times during the year and the attendance was as follows:

Names	Meetings Attended
1. Mr. Saad Iqbal (Chairman)	5/5
2. Mr. Manzoor Ahmed	5/5
3. Mr. Aly Khan	4/5
4. Mr. Syed Bakhtiyar Kazmi	5/5

Secretary: **Farayha Sohail**

Board Nomination, Compensation & Sustainability Committee (BNC&SC):

The BNC&SC meets to review and recommend all elements of the Compensation, Organization and Employee Development policies relating to the senior executives and members of the management committee. The committee also oversees and guide HUBCO sustainability initiatives. The CEO attends BNC&SC meetings by invitation. The BNC&SC (formerly BNCC) met once during the year and the attendance was as follows:

Names	Meetings Attended
1. *Mr. Saad Iqbal (Chairman)	1/1
2. Mr. Aly Khan	1/1
3. Ms. Aleeya Khan	0/1
4. Mr. Manzoor Ahmed	1/1
*Mr. Shafiuddin Ghani Khan (Chairman) effective Oct 5, 2024 (post election)	

Secretary: Mr. Kaleem Ullah Khan till August 31, 2025 and Mr. Aiman Hussaini effective from September 01, 2025

Stakeholder Engagement

The Board holds an Annual General Meeting annually, where shareholders can ask the Board questions related to the various operations of the Company. The BA&RC meets the external auditors once a year without the CFO and Head of Internal Audit being present. Also, the BA&RC meets the Head of Internal Audit and other members of the internal audit function without the CFO and external auditors present. The BNC&SC may consult with external consultants when required.

BA&RC and BNC&SC deliberate, discuss and recommend any matters for attention of the Board. The Board then deliberates, discusses and approves or disapproves such matters as recommended by the BA&RC and BNC&SC.

Analyst Briefing

The company holds annual analysts' briefings to present its business perspective to investors, enabling them to make sound investment decisions. During the year, two analysts' briefings were held, where the CEO and CFO apprised stakeholders of the company's performance and future plans. Analysts' briefings were attended by investment analysts from across the country, representatives of banks and other stakeholders. The presentations were followed by detailed question and answer sessions, where queries were satisfactorily addressed, demonstrating the company's commitment to transparent and evolving stakeholder engagement.

Matters Delegated to the Board

The BNC&SC provides insights and recommendations to the Board, with the Head of HR being the secretary of the committee. These matters are reported to the Board on a quarterly basis during Board meetings. Furthermore, urgent matters may also be reported to the Board as and when deemed necessary.

The sustainability mandate has been included at the Board level, which will be responsible for assessing the sustainability-related risks and how they are managed/mitigated. The BNC&SC is responsible for reviewing sustainability reporting on a quarterly basis to ensure alignment with the company's ESG goals and regulatory requirements.

Matters Delegated to Management

In addition to the BNC&SC, the Company has (i) a separate team for CSR, which looks into social and community-driven impacts near the Company's plant sites and (ii) a separate team for HSE, which looks into the impacts within the Company. (iii) Furthermore, the Company has recently formed an ESG management committee (Sustainable Growth Committee - SGC) composed of employees from the upper and middle management.

Leadership Team

Our Leadership Team is responsible for strategic business planning and technical, financial and HR decision-making. Together, the LT members bring an extensive range of knowledge, experience and expertise to the Company. The team members are as follows:



Mr. Kamran Kamal

Chairman



Mr. Muhammad Saqib

Member



Mr. Amjad Ali Raja

Member



Ms. Faiza Kapadia Raffay

Member



Mr. Fayyaz Ahmad Bhatti

Member



Mr. Kaleem Ullah Khan

Member & Secretary
Till August 31, 2025



Aiman Hussaini

Member & Secretary
Effective from September 1, 2025

Chairman's Review

For the Year Ended June 30, 2025

It is my privilege to present to you the Integrated Annual Report of The Hub Power Company Limited (HUBCO) for the financial year ended June 30, 2025, an inflection point in our journey of growth, resilience, and reinvention. This year has been defined by structural transitions, bold strategic choices, and the continued strengthening of our diversified energy platform.

Navigating Transition, Unlocking Opportunity

The early termination of the Power Purchase Agreement (PPA) of the Hub plant marked a decisive shift in our generation portfolio. We have chosen to view this not as a wind-down, but as a strategic opportunity to reimagine the long-term utility of this critical asset. Feasibility studies are already underway to explore alternate industrial applications for the site, including a potential oil terminal in partnership with Pakistan State Oil (PSO) and the development of an aluminum smelting facility. These initiatives reflect our determination to unlock new value through diversification and asset optimization.

Regulatory Realignment and Sector Challenges

In parallel, the tariff of our subsidiary Narowal Energy Limited (NEL) was renegotiated to align with prevailing market realities, ensuring its continued relevance within the national grid. While the termination of legacy PPAs and tariff renegotiations may deliver fiscal prudence in the short term, they do not resolve Pakistan's deep-rooted structural challenges in transmission, distribution, and sectoral sustainability. We continue to advocate for meaningful reforms, investor confidence, and policy consistency as essential enablers of long-term sectoral health.

Reinforcing the Energy Mix

Despite these transitions, our commitment to reliable and affordable energy has remained steadfast. Our Thar coal-based ventures, TEL and ThalNova, continued to supply low-cost indigenous power, fortifying energy security and reducing foreign exchange dependence. Our flagship hydro subsidiary, Laraib Energy Limited (LEL), performed robustly, underscoring the strength of our diversified generation portfolio.

Expanding into Clean Mobility & Green Ventures

This year also marked important new frontiers. The launch of HUBCO Green, our clean mobility initiative, and partnerships with leading oil marketing companies to deploy EV charging stations across Pakistan represent a bold stride toward a sustainable energy future. This initiative complements the commencement of New Energy Vehicle (NEV) deliveries by Mega Motor Company, which now serves as the local partner of BYD, the world's leading NEV brand.

Importantly, Mega Motor Company has also commenced construction of a state-of-the-art New Energy Vehicle assembly plant in Sindh. This facility, among the most advanced of its kind in the region, will not only serve Pakistan's growing demand for clean mobility but also position the country as a hub for advanced NEV manufacturing in South Asia.

Together, these ventures diversify HUBCO's revenue base while aligning our portfolio with Pakistan's long-term green transition goals.

Beyond clean mobility, our diversification continued through Ark Metals (Private) Limited, which is advancing mineral exploration in Balochistan. Meanwhile, our upstream oil and gas venture, Prime International, delivered key operational milestones and expanded its development footprint including offshore, further enhancing our integrated energy strategy.

Embedding ESG and Strengthening Culture

Our sustainability journey reached a milestone with the publication of this first Integrated Annual Report, embedding Environmental, Social, and Governance (ESG) principles more deeply across our operations. A fully functional Diversity, Equity and Inclusion (DEI) Committee now anchors our cultural transformation, and I am particularly proud that HUBCO achieved a zero Total Recordable Injury Rate (TRIR) across all plants this year, a reflection of our commitment to workplace safety and operational discipline.

Looking Ahead

As we look to the future, our focus remains sharp: disciplined capital allocation, cost optimization, and responsible long-term value creation. We are committed to exploring new opportunities, deepening our strategic partnerships, and leveraging our diversified platform to deliver resilient growth.

On behalf of the Board, I extend my deepest appreciation to our employees, partners, regulators, and shareholders for their unwavering trust and support. In an environment of challenge and complexity, HUBCO continues to move forward, agile, ambitious, and aligned with the future of energy.



M. Habibullah Khan
Chairman



CEO's Message

For the Year Ended June 30, 2025

Dear Shareholders, The financial year 2024-25 was transformative for HUBCO, a year of strategic recalibration, operational focus and future-oriented growth. As we navigate a rapidly evolving energy and economic landscape, our ability to adapt, innovate and execute has never been more critical.

The early expiry of Hub plant's PPA was a moment of reflection and opportunity. While it marked the conclusion of a historic chapter, it also opened a new horizon for value creation. We have since initiated exploring industrial re-use options, including the development of a coastal oil terminal in partnership with Pakistan State Oil. The establishment of an aluminum smelting facility is also under consideration and both these prospects are aimed at leveraging HUBCO's locational and infrastructural advantages.

While our Narowal plant also underwent tariff renegotiation during the year, it remains available to the national grid for dispatch, being critical for grid stability and viability in electricity market. The renegotiation of Narowal's tariff and the early termination of Hub plant's PPA reflect our responsiveness to a changing market landscape. However, it is important to recognize that such actions alone will not solve the power sector's deeper issues. Energy affordability and reliability can only be achieved through reforms that address distribution losses, circular debt settlement and long-overdue investment in grid infrastructure. A focus on these fundamentals is essential for building a sustainable power ecosystem that truly benefits end users.

Operationally, our coal-based assets, TEL and ThalNova, remained dependable and cost-effective contributors to Pakistan's energy matrix, utilizing Thar's indigenous lignite to supply power at among the lowest tariffs in the country. These assets are core to our strategy of maximizing domestic resources while delivering reliable baseload power.

In parallel, our hydropower plant, LEL, delivered stable performance, further strengthening our diversified portfolio. Our generation mix continues to be a defining strength of HUBCO, enabling us to balance performance, cost and environmental stewardship.

We also made significant headway into the mobility and technology domains. Through Mega Motor Company, we began distribution of BYD electric vehicles, a milestone in Pakistan's transition towards cleaner transport. Complementing this, HUBCO Green was launched to develop a nationwide EV charging network in partnership with top-tier oil marketing companies. We have

already installed eight DC fast chargers in Karachi, Lahore, Islamabad, including the motorway and promise to install an EV charging station every 200km distance on motorways.

Our strategic move into the minerals sector was marked by Ark Metals (Private) Limited, an ambitious venture dedicated to unlocking Balochistan's vast mineral potential and driving value from the province's untapped natural resources.

In our upstream oil and gas business, Prime International executed its work program efficiently and is now exploring further offshore potential. These efforts reflect our drive to build a vertically integrated energy portfolio, one that spans power, mobility, oil and gas and emerging industrial ventures.

Sustainability is integral to how we operate, lead and grow. This year's Integrated Annual Report provides data in line with Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) Standards, International Financial Reporting Standards (IFRS) S1 and S2 and Securities and Exchange Commission of Pakistan (SECP), reflecting the progress we've made across ESG dimensions. Our safety record remained exemplary, with a zero TRIR maintained at all sites, a direct result of a deeply embedded safety culture. Furthermore, with a fully functional DEI Committee in place, we reaffirm our belief that diversity and inclusion are not only ethical imperatives but also strategic advantages. These steps are foundational as we shape a responsible, future-ready HUBCO.

As we move forward, our focus is unambiguous, to transform HUBCO from a power producer into a diversified energy and infrastructure platform. This evolution demands executional excellence, financial discipline and unwavering commitment to our purpose, powering progress through innovation and resilience.

I thank our teams for their dedication, our partners for their collaboration and our shareholders for their trust. Together, we are shaping the next era of HUBCO, responsibly, ambitiously and with clarity of purpose.



Kamran Kamal

Chief Executive Officer



Report of the Directors

The Directors of our Company are pleased to present the Annual Report of the Company along with its audited financial statements for the year ended June 30, 2025.

About the Company

The Hub Power Company Limited (HUBCO) is the first and one of the largest Independent Power Producers (IPP) in Pakistan and directly and indirectly operates and owns various power plants with a combined installed power generation capacity of 2,289 MW.

HUBCO's wholly owned subsidiary, Narowal Energy Limited (NEL), continues to operate a 225MW RFO-fired, engine-based combined cycle power station located in Narowal, Punjab, contributing reliable power to the national grid.

HUBCO has 74.95% controlling stake in Pakistan's first hydel IPP, Loraib Energy Limited, which is a run-of-the river 84MW hydel power plant near the New Bong Escape, in Azad Jammu and Kashmir. The Project is registered as a Clean Development Mechanism (CDM) project by CDM Executive Board under the United Nations Framework Convention on Climate Change (UNFCCC), thus achieving the distinction of becoming the first Hydropower Project in Pakistan/AJ&K to have been registered with UNFCCC as a CDM plant. During the year under review, LEL contributed 354 GWh of clean energy into the national grid with no fuel cost, thereby saving -USD 30 million in foreign exchange for the country.

HUBCO has two wholly owned subsidiaries for its future growth initiatives, Hub Power Services Limited (HPSL) and Hub Power Holdings Limited (HPHL). HPHL has been established to invest in future growth projects, whereas HPSL manages the O&M of HUBCO's existing power generation plants, including the two indigenous coal-based growth projects in Thar, Sindh. China Power Hub Generation Company Limited (CPHGC) is HUBCO's joint venture with China Power International Holdings (CPIH), which owns a 1320MW imported coal-based power plant and an integrated coal jetty situated in Hub.

With 60% equity ownership, HUBCO established Thar Energy Limited (TEL), a 330MW mine-mouth lignite-fired power plant at Thar Block II, Sindh. Meanwhile, Fauji Fertilizer Company Limited (FFCL) and China Machinery Engineering Corporation (CMEC) hold 30% and 10% equity stakes, respectively.

HPHL also holds 38.3% shares and management control in ThalNova Power Thar Pvt. Ltd. (TNPTL), a 330MW mine-mouth lignite-fired power plant at Thar Block II, Sindh.

The Company also holds stake in Sindh Engro Coal Mining Company Limited (SECMC), a leading coal producer in Pakistan with the world's largest lignite coal reserves located in Thar. The mining capacity now stands at 7.6 Mt/annum with Phase II catering for our two power plants in Thar of 330MW each.

HUBCO, through its wholly-owned subsidiary HPHL, has a 50:50 joint venture, Prime International Oil and Gas Company Limited (Prime), which is focused to expand its footprint in oil and gas sector in Pakistan. Prime participated in a bid round and was successful in two new exploration blocks (Sukhpur II & Naing Sharif) which are in close vicinity of its existing facilities. In Sukhpur Block, Prime is the Operator with Oil and Gas Development Company Limited (OGDCL), Mari Energies Limited and Turkish Petroleum Corporation (TPAO) as its non-operated JV Partners, while in Naing Sharif OGDCL is the operator and Prime is a non-operated JV Partner. In addition to this, Prime has also farmed into Baran Block during the year and continues to pursue other similar opportunities. During the year under review, Prime along with its JV Partners continued to identify drilling opportunities with the aim of maximizing production from existing gas fields. Prime has also commenced the exploration activity in the newly acquired exploration blocks and is currently preparing to drill an exploration well utilizing modern drilling techniques to optimize indigenous gas production.

In November 2024, Hub Power Holdings Limited (HPHL) entered into a joint venture agreement with a mining company, Ark Metals (Private) Limited and its shareholders, for the exploration and development of mineral mines in Pakistan.

In May 2024, Mega Motor Company (Private) Limited (MMCPL) was incorporated as a subsidiary of Hub Power Holdings Limited (HPHL) and was subsequently converted into a 50:50 joint venture between HPHL and Mega Conglomerate. In June 2024, MMCPL entered into a Distribution Agreement with BYD Auto Industry Company Limited to launch new energy vehicles in Pakistan. Following the brand launch in Lahore in August 2024 and the product launch in October 2024, customer deliveries of BYD's two primary models, Atto 3 and the Seal, commenced in February 2025.

HUBCO Green (Private) Limited (HGL), a wholly owned subsidiary of Hub Power Holdings Limited (HPHL), was incorporated in November 2024 to develop a robust EV charging infrastructure across Pakistan and promote the widespread adoption of electric vehicles in the country. HGL has successfully installed 8 EV charging stations across Karachi, Lahore and Islamabad, including motorway.

Operational Highlights

Operational highlights of our plants and associates during the year under review are as follows:

Overview of the Company's Power Generation Share

We are committed to developing a sustainable import substitution strategy. Our Thar coal-based plants are ranked amongst the highest in the merit order as their cost of power generation is substantially lower compared to imported fuels. Including the operating subsidiaries and associates, the Company contributed 4,444GWh, which is ~3% in the country's total power generation of 127,157GWh.

Operational highlights of our plants and associates during the year under review are as follows:

Plant Name	FY 2024-25	FY 2023-24
TEL Plant	1,594 GWh	1,940 GWh
TNPTL Plant	1,768 GWh	1,971 GWh
CPHGC Plant	675 GWh	476 GWh
Laraib Plant	354 GWh	416 GWh
Narowal Plant	38 GWh	201 GWh
Hub Plant	15 GWh	Nil

FUTURE OUTLOOK

Electric Mobility Landscape

HUBCO, through its subsidiary HPHL, entered the New Energy Vehicle (NEV) market by establishing Mega Motor Company (Private) Limited (MMCPL) as the official partner for BYD vehicles in Pakistan. The company held a brand launch in Lahore in August 2024 and a product launch in October 2024, with customer deliveries of two primary models, the BYD Atto 3 and BYD Seal, commencing in February 2025. Subsequent to year end, MMCPL has launched Pakistan's first plug-in hybrid pickup, BYD - Shark 6, which has received tremendous response in the market. The company has five locations operational across Pakistan, including three experience centres (1 each in Karachi, Lahore and Islamabad) and two care centres (one each in Karachi and Lahore). As the global automotive sector is poised for a significant evolution towards electric mobility, HPHL, via MMCPL, remains vigilant for promising opportunities to expand its portfolio of new energy products and services. The company is committed to acting on sound business prospects as they develop to enable the widespread adoption of sustainable transport.

HPHL's wholly owned subsidiary, HUBCO Green (Private) Limited (HGL) has entered into collaboration agreements with Pakistan State Oil (PSO), PARCO Gunvor and Attock Petroleum Limited (APL) for setting up Direct Current (DC) EV fast charging stations across the country. HGL has operationalized eight DC fast chargers cumulatively in Karachi, Lahore and Islamabad and further installations are underway at various locations.

Exploring Strategic Land Utilization

HUBCO has also signed a Memorandum of Understanding (MoU) with PSO for the development of Single Point Mooring (SPM) system along with an oil terminal at Hub, Balochistan. This initiative aims to strategically utilize available land to unlock new avenues for business expansion, improve energy logistics and contribute meaningfully to the economic development of both HUBCO and Pakistan.

GOVERNANCE

Board of Directors

The Board reviewed Company's strategic direction, annual corporate plans and targets, long-term investments and borrowing. The Board is committed to ensuring the highest standard of governance.

The Current Board of Directors of the Company including non-elected directors, consists of:

Composition	
Independent Directors	3
Other Non-Executive Directors (Male)	3
Executive Director	1
Non-Executive Directors (Female)	2

During the year, six meetings of the Board of Directors were held. Attendance of the Directors were as follows:

Name	Attendance
Mr. M. Habibullah Khan	6/6
Mr. Aly Khan	5/6
Ms. Aleeya Khan	3/6
Mr. Manzoor Ahmed	6/6
Mr. Saad Iqbal	6/6
Mr. Shafiuddin Ghani Khan	6/6
Ms. Samina Mumtaz Zehri	5/6
Mr. Syed Bakhtiyar Kazmi	6/6

Pattern of Shareholding

The Pattern of Shareholding as required under the Code of Corporate Governance is attached with this Report. Details of trades in shares of the Company by Directors and Key Management Personnel and their spouses and minor children are reported on page 389 of the Annual Report.

Committees of the Board

The Board committees and their members are disclosed on page 34 of the Annual Report.

Chief Executive and Directors' Remuneration

Chairman, non-executive directors and independent directors are entitled only to the fee for attending the meetings. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the Company successfully and with value addition. Remuneration of Chief Executive and Directors for the year ended June 30, 2025, are disclosed on page 254 of the Annual Report.

Directors' Training

Of the nine (9) Directors, one (1) Director is exempt from the Corporate Governance Leadership Skills (CGLS) training based on his experience as Director on the Board of Listed Companies. A total of seven members of the Board are certified Directors.

Adequacy of Internal Financial Controls

Directors confirm compliance with the highest standard of Corporate Governance and that the internal controls are sound in design and have been effectively implemented and monitored.

Summary of Financial Performance

Consolidated financial highlights of the Company during the year under review are as follows:

Rs. in million

Consolidated	Year ended June 30, 2025	Year ended June 30, 2024
Turnover	83,351	130,526
Operating Costs	43,528	62,180
*Net Profit	46,131	70,018
*Earnings per share (Rs.)	35.56	53.98

*attributable to owners of the holding company

The Consolidated net profit during the year under review is Rs. 46,131 million resulting in earnings per share of Rs. 35.56 compared to net profit of Rs. 70,018 million and earnings per share of Rs. 53.98 last year. The decrease in profits is mainly due to early termination of Power Purchase Agreement of Hub Plant.

Rs. in million

Unconsolidated	Year ended June 30, 2025	Year ended June 30, 2024
Turnover	13,210	41,534
Operating Costs	4,152	11,101
Net Profit	19,079	33,879
Earnings per share (Rs.)	14.71	26.12

The Unconsolidated net profit earned by the Company during the year under review is Rs. 19,079 million, resulting in earnings per share of Rs. 14.71 compared to a net profit of Rs. 33,879 million and earnings per share of Rs. 26.12 last year. The decrease in unconsolidated profit is mainly due to early termination of the Power Purchase Agreement of Hub Plant pursuant to Negotiated Settlement Agreement between the Company, GoP and CPPA(G).

Appropriations and movement in reserves have been disclosed in the Statement of Changes in Equity on page 212 of the Annual Report.

The directors have recommended for approval of the shareholders a final dividend of PKR 10 per share (100%) for the year ended June 30, 2025. This is in addition to the interim cash dividend of PKR 5 per share (50%).

Related Party Transactions

Board Audit & Risk Committee reviewed the related party transactions and the Board approved them. These transactions were in line with the requirements of International Financial Reporting Standards (IFRS), the Companies Act, 2017 and the related party transactions policy of the Company. The Company maintains a thorough and complete record of all such transactions.

The Company has entered into the following related party transactions on mutually agreed terms, along with their justification:

Name of Related Party	Nature of Transaction	Justification
Hub Power Services Limited Narowal Energy Limited Thar Energy Limited Laraib Energy Limited Hub Power Holdings Limited ThalNova Power Thar (Private) Limited Mega Motors Company (Private) Limited HUBCO Green (Private) Limited	Reimbursement of Expenses	To share the common resources / expenses on proportionate basis to minimize Company's and group companies' costs.

The details of related party transactions are disclosed on page 255 of the Annual Report.

Credit Rating

Credit rating is an assessment of the credit standing of entities in Pakistan. PACRA since 2008, when the Company initiated its rating process, has maintained long-term and short-term entity rating at AA+ and A1+ respectively for the Company. These ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments. NEL's long-term rating is maintained as AA- and short-term rating is A1+ which are indicative of very high credit quality and very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

Financial Statements

The Unconsolidated and Consolidated financial statements of the Company have been audited by Messrs. A.F. Ferguson & Co., Chartered Accountants, the auditors, without any qualification.

Corporate & Financial Reporting Framework

The Directors are pleased to confirm compliance with Corporate and Financial Reporting Framework of the Securities & Exchange Commission Pakistan (SECP) and the Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the Company, fairly portray its state of affairs, the result of its operations, cash flows and changes in its equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- IFRSs as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed; and
- There are no doubts in the Company's ability to continue as a going concern.

Key financial data (unconsolidated) of last six years is as follows:

Rs. in millions

Fiscal year ending June	2025	2024	2023	2022	2021	2020
Turnover	13,210	41,534	44,516	62,544	32,292	27,524
Profit	19,079	33,879	30,942	21,128	21,434	10,167
Assets	91,533	157,390	151,823	154,008	160,007	164,521
Dividend	17,512	22,700	31,132	14,917	9,080	-

Value of investments of provident fund and gratuity scheme based on their respective audited accounts as of June 30, 2024, are as follows:

Fund	Rs. in million
Provident Fund	3.9
Gratuity Fund	292

Risk Management & Strategy for Mitigating Risks

The Company remains steadfast in upholding rigorous standards in risk management, recognizing that a comprehensive and forward-looking approach is essential for operational resilience and long-term strategic success. Our Enterprise Risk Management (ERM) framework, embedded within our corporate governance structure, facilitates the proactive identification, evaluation and mitigation of risks across all levels of the organization.

To address principal risks, we have deployed robust mitigation strategies, including diversifying energy sources, establishing alternative revenue streams and strengthening operational resilience through targeted maintenance and capacity-building programs. These efforts are guided by our defined risk appetite, ensuring that risk-taking is aligned with our strategic objectives and that potential impacts are effectively managed.

Through continuous monitoring and timely reporting, our proactive risk management framework enables us to adapt swiftly to emerging uncertainties, safeguard stakeholder value, and maintain sustainable performance in a dynamic operating environment.

For further information on key risks and mitigation, please refer to page 91 of the Annual Report.

Health, Safety & Environment (HSE)

At HUBCO, health, safety and environmental well-being of our employees, contractors, local communities and ecosystem are central to our operations. We view a safe workplace not only as a legal and moral obligation but as the foundation for sustainable business success.

Our integrated Health, Safety & Environment (HSE) Management System aligns with international standards including ISO 45001, ISO 14001 and the Process Safety Management (PSM) standard based on OSHA CFR 1910.119. This system is designed to prevent serious, process-related incidents that could affect personnel, contractors, off-site communities, or the environment and cause significant loss.

For more details, please refer to page 111 of the Annual Report.

Environment, Social & Governance (ESG)

HUBCO progressively embeds ESG principles at the core of its operations, reflecting its commitment to sustainable and responsible growth. Since establishing the Sustainable Growth Committee (SGC) in 2024, HUBCO has strengthened its governance framework to oversee ESG strategy and performance.

In 2025, HUBCO initiated the process of developing a comprehensive ESG strategy along with measurable targets through 2030 and an ESG policy, which are planned to be formalized in the following fiscal year. These efforts mark a significant milestone in our sustainability journey aligned with global standards and the United Nations Sustainable Development Goals (SDGs).

In FY 2024-25, HUBCO undertook its inaugural greenhouse gas (GHG) emissions accounting, enhancing transparency and environmental accountability for the Company's operational impact. Alongside environmental initiatives, HUBCO has advanced social responsibility efforts, focusing on workplace safety, diversity, equity, inclusion and active community engagement in alignment with its strategic sustainability goals.

For more details, please refer to page 97.

Human Resources Management (HRM)

At HUBCO, our Human Resources Management (HRM) strategy continues to focus on ensuring leadership continuity, fostering employee growth and promoting a diverse and inclusive workplace culture. A key component of our strategy is a well-structured succession plan aimed at identifying critical roles, developing internal talent and securing leadership pipelines for the future.

In FY 2024-25, our learning and development initiatives expanded further, introducing a wide range of capability-building programs, knowledge-sharing sessions and mentorship opportunities aligned with strategic business needs. To promote employee well-being, we enhanced our sports and engagement activities across all sites and inaugurated onsite childcare facilities, supporting working parents. These efforts, combined with cultural celebrations and inclusive events, continue to nurture a positive, high-performing and collaborative work environment. In addition, HUBCO maintains a zero-tolerance policy towards child labor and forced or compulsory labor, strictly adhering to national laws and international standards.

For more details, please refer to page 130.

Diversity, Equity & Inclusion (DEI)

At HUBCO, our commitment to diversity, equity and inclusion (DEI) is deeply rooted in our organizational values. In FY 2024-25, our DEI efforts focused on inclusive recruitment practices, awareness sessions to foster understanding and the continued success of the HUBCO Women Circle, which empowered female employees through meaningful engagement and storytelling. In addition, our Anti-Harassment Policy remains firmly in place to ensure a safe, respectful and supportive work environment for all employees.

Speak Up Policy

HUBCO's Speak Up Policy, approved by the Board, provides a secure and confidential mechanism for employees, contractors, vendors and customers to report concerns regarding unethical conduct, policy violations or misconduct without fear of retaliation. Complaints are centrally handled through a dedicated channel managed by the Head of Internal Audit, with provisions to escalate matters involving senior officials to the Chairman of the Board Audit & Risk Committee. All disclosures are assessed for credibility and investigated with strict adherence to fairness, confidentiality and due process. The policy ensures protection against any form of retaliation and offers interim safeguards where necessary. Quarterly reports on the status and outcomes of reported cases are submitted to the Board Audit & Risk Committee, ensuring oversight and continuous improvement of the framework.

For more details, please refer to page 74.

Auditors

The retiring auditors Messrs. A. F. Ferguson & Co., Chartered Accountants being eligible, offer themselves for reappointment.

The Company remains grateful to its shareholders, employees, business partners and all other stakeholders for their confidence in the Company and their support in the Company's journey on the path of growth and prosperity.

By Order of the Board



Kamran Kamal

Chief Executive Officer



M. Habibullah Khan

Chairman

تنوع، مساوات اور شمولیت (DEI)

حکومت میں تنوع، مساوات اور شمولیت (DEI) ہمارے عزم اور ہماری تنظیمی اقدار کی گہرائی میں شامل ہے۔ مالی سال 2024-25 میں ہماری DEI کی کاوشیں شمولیت پر مبنی بھرتیوں کے طریقہ کار، باہمی تفہیم کو تقویت دینے کے لیے گاہی سیشنز اور حکمت عملی سرکل کی مسلسل کامیابی پر مرکوز ہیں، جس نے خواتین ملازمین کو باہمی شمولیت اور داستان گوئی کے انداز کے ذریعے باختیار بنایا۔ اس کے علاوہ، ہماری ایٹنی ہراسمنٹ پالیسی بدستور نافذ العمل ہے تاکہ تمام ملازمین کے لیے محفوظ، باعزت اور سازگار ماحول کو یقینی بنایا جاسکے۔

اسپیک اپ پالیسی

حکومت کی اسپیک اپ پالیسی، جسے بورڈ نے منظور کیا ہے، ملازمین، کنٹریکٹرز، وینڈرز اور صارفین کے لیے ایک محفوظ اور خفیہ طریقہ کار فراہم کرتی ہے تاکہ وہ بلا خوف و خطر کسی بھی غیر اخلاقی طرز عمل، پالیسی کی خلاف ورزی یا بدسلوکی کے خلاف آواز اٹھا سکیں۔ شکایات کو مرکزی طور پر ایک مخصوص چینل کے ذریعے نمٹایا جاتا ہے جسے ہیڈ آف انٹرنل آڈٹ چلاتے ہیں، اور ایسے معاملات جن میں اعلیٰ حکام ملوث ہوں انہیں بورڈ آڈٹ اینڈ رسک کمیٹی کے چیئرمین تک پہنچایا جاسکتا ہے۔ تمام انکشافات رشکایات کی جانچ پڑتال شفافیت، رازداری اور مقررہ طریقہ کار کے تحت کی جاتی ہے۔ یہ پالیسی ہر قسم کے انتقامی اقدامات سے مکمل تحفظ یقینی بناتی ہے اور ضرورت پڑنے پر عبوری حفاظتی اقدامات بھی فراہم کرتی ہے۔ رپورٹ شدہ کیسز کی حیثیت اور نتائج پر مبنی سہ ماہی رپورٹس بورڈ آڈٹ اینڈ رسک کمیٹی کو پیش کی جاتی ہیں تاکہ فریم ورک کی نگرانی اور مسلسل بہتری کو یقینی بنایا جاسکے۔ مزید تفصیلات اس رپورٹ کے صفحہ نمبر 74 پر ملاحظہ کی جاسکتی ہیں۔

آڈیٹرز

آڈیٹرز سبکدوش ہونے والے، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، دوبارہ تقرری کے اہل ہیں اور اپنی خدمات جاری رکھنے کی پیشکش کرتے ہیں۔ کمپنی اپنے شیئر ہولڈرز، ملازمین، بزنس پارٹنرز اور تمام اسٹیک ہولڈرز کی جانب سے کمپنی پر اعتماد اور کامیابی کے سفر بننے پر ان کی شکرگزار ہے، جو مسلسل ترقی اور خوشحالی کی راہ پر رواں دواں ہے۔

بحکم بورڈ



ایم حبیب اللہ خان
چیئرمین



کامران کمال
چیف ایگزیکٹو

نمایاں خطرات اور اس کے خاتمے کے حوالے سے مزید معلومات کے لیے، براہ کرم ہمارا صفحہ نمبر 91 ملاحظہ کریں۔

صحت، حفاظت اور ماحولیات

جبکہ ہم اپنے ملازمین، کنٹریکٹرز، مقامی آبادی اور ایکوسٹم کی صحت، سیفٹی ماحولیاتی فلاح و بہبود ہمارے آپریشنز میں انتہائی اہم ہیں، کام کرنے کے لیے محفوظ جگہ کو ہم نہ صرف قانونی اور اخلاقی ذمہ داریوں کے طور پر دیکھتے ہیں بلکہ پائیدار کاروباری کامیابیوں کی بنیاد تصور کرتے ہیں۔

ہمارا صحت، حفاظت اور ماحولیات (ایچ سی ای) کا مربوط مینجمنٹ سسٹم انٹرنیشنل اسٹینڈرڈز بشمول ISO 45001، ISO 14001 کے تحت ہے اور OSHA CFR 1910.119 کی بنیاد پر پراسیس سیفٹی مینجمنٹ سسٹم (پی ایس ایم) اسٹینڈرڈز کے مطابق ہے۔ یہ نظام، کام کے دوران حادثات کی روک تھام کے لیے تشکیل دیا گیا ہے تاکہ کوئی فرد، ٹھیکیدار، آف سائٹ کمیونٹیز، یا ماحول متاثر نہ ہو اور کسی بڑے نقصان کا سبب نہ بنے۔

مزید تفصیلات اس رپورٹ کے صفحہ نمبر 111 پر ملاحظہ کی جاسکتی ہیں۔

انوائرمینٹ، سوشل اور گورننس (ای سی جی)

جبکہ، اپنے آپریشنز میں ای سی جی کے اصولوں کو وقت کے ساتھ ساتھ مزید تقویت دے رہا ہے۔ جبکہ پائیدار ترقی کے لیے جبکہ کے پختہ عزم کا اظہار ہے۔ سال 2024 میں کمیٹی برائے پائیدار ترقی (ایس جی سی) کے قیام سے اب تک، جبکہ نے ای سی جی اسٹریٹجی اور کارکردگی کی نگرانی کے لیے اپنے گورننس فریم ورک کو مضبوط اور مزید موثر بنایا ہے۔

2025 میں، جبکہ نے 2030 تک قابل پیمائش اہداف اور ESG پالیسی کے ساتھ ایک جامع ESG حکمت عملی تیار کرنے کا آغاز کیا، اور اس کو آنے والے مالیاتی سال میں باضابطہ شکل دینے کا منصوبہ ہے۔ پائیداری کے اس سفر میں ہماری یہ کاوشیں گلوبل اسٹینڈرڈز اور اقوام متحدہ کے پائیدار ترقی کے اہداف (ایس ڈی جی زی) کے ساتھ ہم آہنگ ہیں۔

مالی سال 2024-25 میں، جبکہ نے اپنا افتتاحی گرین ہاؤس گیس (GHG) اخراج اکاؤنٹنگ شروع کیا، کمپنی کے آپریشنل اثرات کے لیے شفافیت اور ماحولیاتی جوابدہی کو بڑھایا۔ ماحول دوست اقدامات کے ساتھ ساتھ، جبکہ نے سماجی ذمہ داری کی کوششوں کو آگے بڑھایا ہے، جس میں کام کی جگہ کی حفاظت، تنوع، مساوات، شمولیت اور اس کے اسٹریٹجک پائیداری کے اہداف کے ساتھ ہم آہنگی میں کمیونٹی کی فعال شمولیت پر توجہ دی گئی ہے۔

مزید تفصیلات اس رپورٹ کے صفحہ نمبر 97 پر ملاحظہ کی جاسکتی ہیں۔

انسانی وسائل کا انتظام

جبکہ کی ہیومن ریسورس مینجمنٹ (HRM) حکمت عملی کی توجہ قیادت کے تسلسل کو یقینی بنانے، ملازمین کی ترقی کو فروغ دینے اور ایک متنوع اور شمولیتی ورک کچھ کو آگے بڑھانے پر مرکوز ہے۔ ہماری حکمت عملی کا ایک اہم جزو مستقبل کی قیادت کی تیاری کے لیے ایک ایسی منظم ترتیب و تشکیل کو آگے بڑھانا ہے۔ جس کے لیے ہم اہم عہدوں کی نشاندہی، باصلاحیت افراد کی حوصلہ افزائی کو اپنی حکمت عملی کا حصہ بنائے ہوئے ہیں تاکہ مستقبل کی لیڈرشپ کا حصول جاری رہے۔

مالی سال 2024-25 میں ہم نے سیکھنے اور ترقی کے مزید اقدامات اٹھائے جس میں مہارت بڑھانے کے پروگرامز، علم کے تبادلے کے سیشنز اور رہنمائی کے مواقع شامل کیے گئے، جو اسٹریٹجک بزنس ضروریات کے ساتھ ہم آہنگ تھے۔ ملازمین کی فلاح و بہبود کے فروغ کے لیے ہم نے تمام سائنس پرکھیلوں اور انجمنٹ کی سرگرمیوں کو بہتر بنایا اور ورکر والدین کی معاونت کے لیے آن سائٹ چائلڈ کیئر سہولیات کا آغاز کیا۔ یہ کاوشیں، ثقافتی تقریبات اور شمولیتی ایوشن کے ساتھ مل کر، ایک مثبت، اعلیٰ کارکردگی اور تعاون پر مبنی ماحول کو پروان چڑھاتی ہیں۔ اس کے علاوہ، جبکہ بچوں سے مزدوری اور جبری مشقت کے حوالے سے زیر التامل پالیسی پر عمل پیرا ہے اور قومی قوانین اور بین الاقوامی معیارات کی سختی سے پابندی کرتا ہے۔

مزید تفصیلات اس رپورٹ کے صفحہ نمبر 130 پر ملاحظہ کی جاسکتی ہیں۔

مالیاتی گوشوارے

کمپنی کے مجمع اور غیر مجمع مالیاتی گوشواروں کا آڈٹ میسرز اے۔ ایف۔ فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، دی آڈیٹرز، نے بنا اعتراض کیا ہے۔

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

ڈائریکٹرز انتہائی مسرت کے ساتھ درج ذیل پر عملداری کے لیے، سکیورٹی اینڈ اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک اور کوڈ آف کارپوریٹ گورننس پر عملداری کی تصدیق کرتے ہیں

- الف۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور اس کی ایکویٹی میں تبدیلیوں کو بہتر انداز میں پیش کیے گئے ہیں۔
- ب۔ کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- ج۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- د۔ IFRSs جیسا کہ پاکستان میں اطلاق ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روا نگی کا مناسب طور پر انکشاف کیا گیا ہے۔
- ز۔ جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت میں کوئی شک نہیں ہے۔

گزشتہ چھ (6) برس کے نمایاں طور پر مالی اعداد و شمار (غیر مربوط) درج ذیل ہے:

ملین روپے

2020	2021	2022	2023	2024	2025	جون کو ختم ہونے والا مالی سال
27,524	32,292	62,544	44,516	41,534	13,210	ٹرن اوور
10,167	21,434	21,128	30,942	33,879	19,079	منافع
164,521	160,007	154,008	151,823	157,390	91,533	اثاثہ جات
-	9,080	14,917	31,132	22,700	17,512	ڈیویڈنڈ

30 جون 2024 تک ان کے متعلقہ آڈٹ شدہ اکاؤنٹس کی بنیاد پر پراویڈنٹ فنڈ اور گریجویٹ سیکم کی سرمایہ کاری کی قدر درج ذیل ہے:

ملین روپے	فنڈ
3.9	پراویڈنٹ فنڈ
292	گریجویٹ فنڈ

خطرات کم کرنے کے لیے خطرے کا انتظام اور حکمت عملی

کمپنی رسک مینجمنٹ میں سخت معیارات کو برقرار رکھنے میں ثابت قدم رہی ہے، اور اس امر کو تسلیم کیا ہے کہ آپریشنل ریزائلنس (resilience) اور طویل المدتی کامیابیوں کے لیے ایک جامع اور looking forward اپروچ بہت ضروری ہے۔ ہمارا انٹر پرائز رسک مینجمنٹ فریم ورک، ہمارے کارپوریٹ گورننس اسٹرکچر کے ساتھ منسلک (embedded) ہے، جو آرگنائزیشن میں ہر سطح پر خطرات (رسک) کی شناخت، جائزہ لینے اور خاتمے میں مددگار ہے۔

بنیادی خطرات سے نمٹنے کے لیے ہم نے مضبوط تخفیفی حکمت عملیاں وضع کی ہیں جن میں توانائی کے ذرائع کو متنوع بنانا، متبادل آمدنی کے ذرائع قائم کرنا، اور ہدفی مرمت و استعداد بڑھانے کے پروگراموں کے ذریعہ عملیاتی لچک کو مضبوط کرنا شامل ہے۔ یہ تمام اقدامات ہماری طے شدہ رسک ایپٹائٹ کے مطابق کیے جاتے ہیں تاکہ خطرات مول لینے کا عمل ہمارے اسٹرٹیجک مقاصد کے ساتھ ہم آہنگ رہے اور ممکنہ اثرات کو مؤثر طور پر قابو میں رکھا جاسکے۔

مستلک نگرانی اور بروقت رپورٹنگ کے ذریعے ہمارا فعال رسک مینجمنٹ فریم ورک ہمیں ابھرتی ہوئی غیر یقینی صورتحال کے مطابق تیزی سے ڈھلنے، اسٹیک ہولڈرز کی قدر کو محفوظ رکھنے اور ایک متحرک عملیاتی ماحول میں پائیدار کارکردگی کو برقرار رکھنے کے قابل بناتا ہے۔

غیر مربوط خالص منافع

زیر جائزہ سال کے دوران کمپنی کا غیر مربوط خالص منافع 19,079 ملین روپے رہا، جس کے نتیجے میں فی حصص آمدنی 14.71 روپے ہوئی۔ گزشتہ سال کے خالص منافع 33,879 ملین روپے اور فی حصص آمدنی 26.12 روپے تھی۔ اس کی بنیادی وجہ جب پلانٹ کے پاور پر چھڑا ایگریمنٹ کی منسوخی ہے جس کا معاہدہ کمپنی، حکومت پاکستان اور سی پی اے (جی) کے مذاکرات کے بعد ہوا۔

ذخائر میں تخصیص اور نقل و حرکت کا انکشاف سالانہ رپورٹ کے صفحہ 212 پر ایکویٹی میں تبدیلیوں کے گوشوارے میں کیا گیا ہے۔

ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے حصص یافتگان کی منظوری کے لیے 10 روپے فی حصص (100%) کے حتمی منافع کی سفارش کی ہے۔ یہ 5 روپے فی حصص (50%) کے عبوری نقد منافع کے علاوہ ہے۔

متعلقہ فریق سے لین دین

بورڈ کی آڈٹ اینڈ رسک کمیٹی نے متعلقہ فریقوں (Related Parties) کے ساتھ ہونے والے لین دین کا جائزہ لیا اور بورڈ نے ان کی منظوری دی۔ یہ تمام لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کمپنیز ایکٹ 2017 اور کمپنی کی متعلقہ فریقوں کے ساتھ لین دین کی پالیسی کے مطابق تھے۔ کمپنی ان تمام لین دین کا مکمل اور جامع ریکارڈ رکھتی ہے۔ کمپنی نے درج ذیل متعلقہ فریقوں کے ساتھ باہمی اتفاق سے طے شدہ شرائط پر لین دین ان کے جواز کے ساتھ کیا ہے:

متعلقہ فریق کا نام	لین دین کی نوعیت	جواز
حب پاور سروسز لمیٹڈ نارووال انرجی لمیٹڈ تھرانر جی لمیٹڈ لاریب انرجی لمیٹڈ حب پاور ہولڈنگ لمیٹڈ تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ میگا موٹرز کمپنی (پرائیویٹ) لمیٹڈ حبکو گرین (پرائیویٹ) لمیٹڈ	اخراجات کی واپس ادائیگی	کمپنی اور گروپ کمپنیوں کے اخراجات کو کم سے کم کرنے کے لیے متناسب بنیادوں پر مشترکہ وسائل اخراجات کا اشتراک کرنا۔

متعلقہ فریقوں سے لین دین کی تفصیلات سالانہ رپورٹ کے صفحہ نمبر 255 پر دی گئی ہیں۔

کریڈٹ ریٹنگ

پاکستان میں اداروں کی مالی ساکھ کی جانچ پڑتال کریڈٹ ریٹنگ کہلاتی ہے۔ سال 2008ء، جب سے اس کمپنی نے اپنے ریٹنگ کے طریقہ کار کا آغاز کیا ہے۔ تب سے PACRA نے طویل مدتی اور قلیل مدتی ادارہ جاتی ریٹنگ کو بالترتیب AA+ اور A+ پر برقرار رکھا ہوا ہے۔ ان ریٹنگ سے معلوم ہوتا ہے کہ کریڈٹ رسک کی توقعات بہت ہی کم ہے اور اس سے اس امر کا بھی اظہار ہوتا ہے کہ وقت پر ادائیگیوں کے حوالے سے مالی ذمہ داریاں پوری کرنے کی مضبوط صلاحیتوں کا حامل ہو۔ NEL طویل مدتی ریٹنگ AA+ اور قلیل مدتی ریٹنگ A1+ پر برقرار رکھی ہوئی ہے، جس سے مالیاتی ذمہ داریوں کے سلسلے میں بروقت ادائیگیوں کے معاملے میں اعلیٰ کریڈٹ کوالٹی اور مضبوط صلاحیتوں کا پتہ چلتا ہے۔ یہ صلاحیت پیش آنے والے واقعات کے سلسلے میں زیادہ غیر محفوظ (Vulnerable) نہیں ہے۔

شیر ہولڈنگ کا پیٹرن

کارپوریٹ گورننس کوڈ کے تحت درکار شیر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔ کمپنی کے شیرز میں ڈائریکٹرز، کلیدی انتظامی اہلکاروں، ان کی شریک حیات اور نابالغ بچوں کی ٹریڈنگ کی تفصیلات سالانہ رپورٹ کے صفحہ 389 پر درج ہیں۔

بورڈ کی کمیٹیاں

سالانہ رپورٹ کے صفحہ نمبر 34 بورڈ کی کمیٹیوں اور ان کے ممبران کے نام دیئے گئے ہیں۔

چیف ایگزیکٹو اور ڈائریکٹرز کا معاوضہ

چیرمین، نان ایگزیکٹو ڈائریکٹرز اور انڈیپنڈنٹ ڈائریکٹرز صرف اجلاسوں میں شرکت کی فیس کے حقدار ہیں۔ معاوضے کی سطحیں مناسب ہیں اور مطلوبہ ذمہ داری اور مہارت کی سطح سے مطابقت رکھتی ہیں تاکہ کمپنی کو کامیابی کے ساتھ اس کی قدر میں اضافے کے لیے چلایا جاسکے۔ چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضوں کی تفصیلات، 30 جون 2025 کو ختم ہونے والے مالی سال کے مالیاتی گوشوارے کے صفحہ 254 پر درج ہیں۔

ڈائریکٹرز کی تربیت

نو (9) ڈائریکٹرز میں سے آٹھ (8) سند یافتہ ڈائریکٹر ہیں یا انکو ڈائریکٹر کے تربیتی پروگرام سے آشنائی حاصل ہے۔

داخلی مالیاتی کنٹرول کی مناسبت

ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ ترین معیار کی تعمیل کی تصدیق کرتے ہیں اور یہ کہ اندرونی کنٹرول ڈیزائن کے لحاظ سے درست ہیں اور ان پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔

مالیاتی کارکردگی کا خلاصہ

زیر غور سال کے دوران گروپ کی مالی جھلکیاں حسب ذیل ہیں
ملین روپے

مربوط	30 جون 2025 کو ختم ہونے والا مالی سال	30 جون 2024 کو ختم ہونے والا مالی سال
ٹرن اوور	83,351	130,526
عملیاتی لاگت	43,528	62,180
* خالص منافع	46,131	70,018
* کمائی فی شیر (روپے)	35.56	53.98

* ہولڈنگ کمپنی کے مالکان سے منسوب

رواں مالی سال کے دوران مجموعی خالص منافع 46,131 ملین روپے رہا، جس کے نتیجے میں فی حصص آمدنی 35.56 روپے ہوئی۔ گزشتہ سال کے خالص منافع 70,018 ملین روپے اور فی حصص آمدنی 53.98 روپے تھی۔ منافع میں اس کی بنیادی وجہ پلانٹ کے پاور پرچیز ایگریمنٹ کی منسوخی ہے۔

غیر مربوط	30 جون 2025 کو ختم ہونے والا مالی سال	30 جون 2024 کو ختم ہونے والا مالی سال
ٹرن اوور	13,210	41,534
عملیاتی لاگت	4,152	11,101
خالص منافع	19,079	33,879
کمائی فی شیر (روپے)	14.71	26.12

جوں جوں عالمی آٹوموبائل سیکٹر برقی نقل و حمل (electric mobility) کی طرف ایک بڑے ارتقائی مرحلے میں داخل ہو رہا ہے، MMCPL، HPHL کے ذریعے، نئی انرجی مصنوعات اور خدمات کے اپنے پورٹ فولیو کو وسعت دینے کے لیے پرکشش مواقع پر گہری نظر رکھے ہوئے ہے۔ کمپنی پر عزم ہے کہ جیسے جیسے موزوں کاروباری مواقع سامنے آئیں گے، ان پر عملدرآمد کے ذریعے پائیدار ٹرانسپورٹ کے وسیع پیمانے پر فروغ کو یقینی بنایا جائے۔

HPHL کی مکمل ملکیتی ذیلی کمپنی حکو گرین (پرائیویٹ) لمیٹڈ (HGL) نے پاکستان اسٹیٹ آئل (PSO)، پارگوگن ووراورانک پٹرولیم لمیٹڈ (APL) کے ساتھ مل کر کام کرنے کے معاہدے کیے ہیں تاکہ ملک بھر میں ڈائریکٹ کرنٹ (EV) فاسٹ چارجنگ اسٹیشنز قائم کیے جاسکیں۔ HGL نے اب تک کراچی، لاہور اور اسلام آباد میں مجموعی طور پر آٹھ DC فاسٹ چارجز اسٹیشن فعال کر دیے ہیں جبکہ مزید کئی مقامات پر چارجنگ اسٹیشنز کا قیام جاری ہے۔

اہم جگہوں پر واقع اراضی سے استفادہ

حکو نے پاکستان اسٹیٹ آئل (PSO) کے ساتھ ایک معاہدتی یادداشت (MoU) پر بھی دستخط کیے ہیں تاکہ جب، بلوچستان میں سنگل پوائنٹ مورنگ (SPM) سسٹم اور ایک آئل ٹرمینل تعمیر کیا جاسکے۔ اس اقدام کا مقصد دستیاب زمین کو اسٹریٹجک انداز میں استعمال کرنا ہے تاکہ کاروبار کے نئے مواقع تلاش کیے جاسکیں، انرجی لاجسٹکس بہتر بنائی جاسکے اور حکو کے ساتھ ساتھ پاکستان کی معاشی ترقی میں بھی باہمی کردار ادا کیا جاسکے۔

گورننس

بورڈ آف ڈائریکٹرز

بورڈ نے کمپنی کی اسٹریٹجک سمت، سالانہ کارپوریٹ منصوبے اور اہداف، طویل المدتی سرمایہ کاری اور قرضوں کا جائزہ لیا۔ بورڈ اعلیٰ ترین گورننس کے معیار کو یقینی بنانے کے لیے پُر عزم ہے۔ کمپنی کے موجودہ بورڈ آف ڈائریکٹرز، جن میں غیر منتخب ڈائریکٹرز بھی شامل ہیں، درج ذیل پر مشتمل ہے:

ترتیب	
3	آزاد ڈائریکٹرز
3	دیگرانہ ایگزیکٹو ڈائریکٹرز (مرد)
1	ایگزیکٹو ڈائریکٹر
2	نان ایگزیکٹو ڈائریکٹرز (خواتین)

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس ہوئے جن میں حاضری کی تفصیل درج ذیل ہے

نام	حاضری
جناب ایم حبیب اللہ خان	6/6
جناب علی خان	5/6
محترمہ عالیہ خان	3/6
جناب منظور احمد	6/6
جناب سعد اقبال	6/6
جناب شفیق الدین غنی خان	6/6
محترمہ ثمنہ ممتاز زہری	5/6
جناب سید مختار کاظمی	6/6

مئی 2024 میں میگا موٹر کمپنی (پرائیویٹ) لمیٹڈ (MMCPL) کو جب پاور ہولڈنگز لمیٹڈ (HPHL) کی ذیلی کمپنی کے طور پر قائم کیا گیا اور بعد ازاں اسے HPHL اور میگا کانگومریٹ کے درمیان 50:50 مشترکہ منصوبے کی صورت میں ری اسٹرکچر کیا گیا۔ جون 2024 میں، MMCPL نے BYD آٹو انڈسٹری کمپنی لمیٹڈ کے ساتھ ڈسٹری بیوشن ایگریمنٹ کیا تاکہ پاکستان میں نئی انرجی گاڑیاں متعارف کرائی جاسکیں۔ اس برانڈ کا آغاز اگست 2024 میں لاہور میں کیا گیا، جبکہ پروڈکٹ لانچ اکتوبر 2024 میں عمل میں آئی۔ BYD کی دواہم گاڑیوں Atto3 اور Seal کی کسٹمر ڈیلیوریز فروری 2025 سے شروع ہوئیں۔

حبو گرین (پرائیویٹ) لمیٹڈ (HGL)، جو جب پاور ہولڈنگز لمیٹڈ (HPHL) کی مکمل ملکیتی ذیلی کمپنی ہے، نومبر 2024 میں قائم کی گئی تاکہ پاکستان بھر میں ایک مضبوط الیکٹرک وہیکل (EV) چارجنگ انفراسٹرکچر تیار کیا جاسکے اور ملک میں الیکٹرک گاڑیوں کے وسیع پیمانے پر فروغ کو یقینی بنایا جاسکے۔ HGL نے کامیابی کے ساتھ کراچی، لاہور اور اسلام آباد بشمول موٹروے پر EV8 چارجنگ اسٹیشنز قائم کئے ہیں۔

آپریشنل جھلکیاں

زیر جائزہ سال کے دوران ہمارے بجلی گھروں اور وابستہ اداروں کی کارکردگی کے نمایاں نکات درج ذیل ہیں:

کمپنی کے بجلی پیدا کرنے کے شیئر کا جائزہ

ہم پائیدار امپورٹ سسٹمیٹیوٹن اسٹریٹیجی (Import Substitution Strategy) بنانے کے لیے پُر عزم ہیں۔ ہمارے تھروٹل پڑتی بجلی گھر میرٹ آرڈر میں اعلیٰ درجہ رکھتے ہیں کیونکہ درآمدی ایندھن کے مقابلے میں ان کی بجلی پیدا کرنے کی لاگت کافی کم ہے۔ آپریٹنگ سبسڈریز اور ایسوسی ایٹس کو شامل کرتے ہوئے، کمپنی نے 4,444 گریگا واٹ آرڈر بجلی فراہم کی جو ملک کی کل 157,127 گریگا واٹ اور بجلی پیداوار کا تقریباً 3 فیصد ہے۔ زیر جائزہ سال کے دوران ہمارے پلانٹس اور ایسوسی ایٹس کی کارکردگی کے نمایاں نکات درج ذیل ہیں:

نام بجلی گھر	مالی سال 2024-25	مالی سال 2023-24
TEL بجلی گھر	1,594 GWh	1,940 GWh
TNPTL بجلی گھر	1,768 GWh	1,971 GWh
CPHGC بجلی گھر	675 GWh	476 GWh
لاریب بجلی گھر	354 GWh	416 GWh
نارووال بجلی گھر	38 GWh	201 GWh
حب بجلی گھر	15 GWh	صفر

مستقبل کا منظر نامہ

الیکٹرک گاڑیوں کا فروغ

حبو نے اپنی ذیلی کمپنی HPHL کے ذریعے نیوانرجی وہیکل (NEV) مارکیٹ میں قدم رکھا اور میگا موٹر کمپنی (پرائیویٹ) لمیٹڈ (MMCPL) قائم کی، جو پاکستان میں بی وائی ڈی (BYD) گاڑیوں کی آفیشل پارٹنر ہے۔ کمپنی نے اگست 2024 میں لاہور میں برانڈ لانچ اور اکتوبر 2024 میں پروڈکٹ لانچ کی، جبکہ بی وائی ڈی کی دواہم ماڈلز، Atto3 اور Seal کی کسٹمر ڈیلیوریز فروری 2025 میں شروع ہوئیں۔ سال کے اختتام کے بعد، MMCPL نے پاکستان کی پہلی پلگ ان ہائبرڈ پیک اپ بی وائی ڈی۔ شراک 6 متعارف کرائی، جسے مارکیٹ میں شاندار پذیرائی ملی ہے۔ کمپنی اس وقت پاکستان بھر میں پانچ مقامات پر کام کر رہی ہے، جن میں تین ایکسپریس سنٹر (کراچی، لاہور اور اسلام آباد میں ایک ایک) اور دو کمر سینٹرز (کراچی اور لاہور میں ایک ایک) شامل ہیں۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے مالی سال کی سالانہ کمپنی رپورٹ اور آڈٹ شدہ مالی گوشوارے بصد مسرت پیش کرتے ہیں۔

کمپنی کے بارے میں

حب پاور کمپنی لمیٹڈ (HUBCO) پاکستان میں نجی شعبے کی بجلی پیدا کرنے والی سب سے پہلی اور بڑی (IPPs) میں سے ایک ہے اور اب بالواسطہ اور بلاواسطہ کئی بجلی گھروں کی مالک و منتظم ہے۔ جن کی مجموعی پیداواری استعداد 2,289 میگا واٹ ہے۔

حبکو کی مکمل ملکیتی کمپنی، ناروال انرجی لمیٹڈ (NEL) بذمہ 225 میگا واٹ بجلی آرایف افائر ڈائنمن بیسڈ کمبائنڈ سائیکل بجلی گھر ہے جو ندووال پنجاب میں واقع ہے اور قومی گرڈ میں بجلی فراہم کرنے کا پائیدار ذریعہ ہے۔ نجی شعبے میں پاکستان میں قائم ہونے والے پہلے پن بجلی گھر (IPP) لاریب انرجی لمیٹڈ میں حبکو کے 74.95 فیصد کے انتظامی اسٹیک ہیں۔ یہ بجلی گھر آزاد جموں و کشمیر میں نیو بونگ اسکیم کے قریب رن آف ریور 84 میگا واٹ کا ہے۔ موسمیاتی تبدیلی کے اقوام متحدہ کے فریم ورک کے تحت سی ڈی ایم کے ایگزیکٹو بورڈ نے اس منصوبے کو مکمل طور پر ماحول دوست طریقہ کار یعنی کلین ڈیولپمنٹ میکانزم (CDM) کے تحت رجسٹر کیا ہے۔ اس طرح پاکستان آزاد جموں و کشمیر میں یہ پہلا پن بجلی منصوبہ ہے جو UNFCCC کے تحت ماحول دوست طریقہ کار کا حامل قرار پایا ہے۔ زیر جائزہ مالی سال کے دوران لاریب انرجی لمیٹڈ نے 354 گیگا واٹ ہاور صاف توانائی نیشنل گرڈ میں فراہم کی اور اس میں فیول کی لاگت زیر ہوئے جس سے ملک کو 30 ملین ڈالر کی بچت ہوئی۔

حبکو نے اپنی کلی ملکیت میں دو ذیلی ادارے حب پاور سروسز لمیٹڈ (HPSL) اور حب پاور ہولڈنگز لمیٹڈ (HPHL) مستقبل کے ترقیاتی اقدامات کے لیے قائم کیے ہیں۔ اس میں HPHL کو مستقبل کے ترقیاتی منصوبوں میں سرمایہ کاری کے لیے قائم کیا گیا ہے جبکہ HPSL حبکو کے موجودہ بجلی پیدا کرنے والے لیکلی گھروں کی O&M بشمول تھر ہندھ میں کونسل سے چلنے والے دو منصوبوں کی نگران ہے۔ چائے پاور حب جنریشن کمپنی لمیٹڈ (CPHGC)، چائے پاور انٹرنیشنل ہولڈنگ (CPIH) کے ساتھ حبکو کا ایک مشترکہ منصوبہ ہے جس کی ملکیت میں درآمدی کونسل سے چلنے والا 1,320 میگا واٹ بجلی گھر اور حب میں واقع مربوط کول جیٹ شامل ہیں۔

HUBCO نے 60 فیصد ایکویٹی ملکیت کے ساتھ تھر انرجی لمیٹڈ (TEL) قائم کیا جس کے پاس تھر بلاک II، سندھ میں 330 میگا واٹ کا مائن ماؤتھ گائٹ سے چلنے والا پاور پلانٹ ہے۔ دریں اثناء فوجی فرٹیلایزر کمپنی لمیٹڈ (FFCL) اور چائے مشینری انجینئرنگ کارپوریشن (CMEC) کے پاس بالترتیب 30 فیصد اور 10 فیصد ایکویٹی حصص ہیں۔

HPHL کے پاس تھل نووا پاور تھر پرائیویٹ لمیٹڈ (TNPTL) میں 38.3 فیصد شیئرز اور مینجمنٹ کنٹرول ہے جو تھر بلاک II، سندھ میں 330 میگا واٹ کا مائن ماؤتھ گائٹ سے چلنے والا پاور پلانٹ ہے۔ کمپنی سندھ اینگریڈ کول مائننگ کمپنی لمیٹڈ (SECMC) میں بھی وافر حصص رکھتی ہے جو پاکستان میں کونسل پیدا کرنے والی معروف کمپنی ہے جس میں تھر میں موجود دنیا کے سب سے بڑے گائٹ کونسل کے ذخائر ہیں۔ کان کنی کی گنجائش اب 7.6 Mt / سالانہ ہے جس کے فیئر II کے ساتھ تھر میں ہمارے دو پاور پلانٹس 330 میگا واٹ ہر ایک کے لیے خدمات مہیا کر رہے ہیں۔

حبکو، اپنی مکمل ملکیتی ذیلی کمپنی HPHL کے ذریعے اپنے 50:50 مشترکہ منصوبے پرائم انٹرنیشنل آئل اینڈ گیس کمپنی لمیٹڈ (پرائم) کے ذریعے، پاکستان میں تیل اور گیس کے شعبے میں اپنا دائرہ کار بڑھانے پر توجہ مرکوز کئے ہوئے ہے۔ زیر جائزہ سال کے دوران، پرائم نے دو نئے ایکسپلوریشن بلاکس (سکھ پور II اور ناننگ شریف) حاصل کیے جو اس کی موجودہ سہولیات کے قریب واقع ہیں۔ سکھ پور بلاک میں پرائم بطور آپریٹر کام کر رہا ہے، جبکہ اس کے نان آپریٹڈ جے وی پارٹنرز میں آئل اینڈ گیس ڈولپمنٹ کمپنی لمیٹڈ (OGDCL)، ماڑی انرجی لمیٹڈ اور ترکش پٹرولیم کارپوریشن (TPAO) شامل ہیں۔ ناننگ شریف بلاک میں OGDCL آپریٹر ہے اور پرائم نان آپریٹر جے وی پارٹنرز کے طور پر شامل ہے۔ اس کے علاوہ، پرائم نے اس سال باران بلاک میں بھی حصہ حاصل کیا اور اسی طرح کے دیگر مواقع کی تلاش جاری رکھی۔ زیر جائزہ سال میں پرائم اور اس کے جے وی پارٹنرز نے موجودہ گیس فیلڈز سے پیداوار بڑھانے کے لیے ڈرائنگ کے مواقع کی نشاندہی بھی جاری رکھی۔ مزید یہ کہ، پرائم نے نئے حاصل شدہ ایکسپلوریشن بلاکس میں تلاش و کھدائی کی سرگرمیاں شروع کر دی ہیں اور فی الحال ایک ایکسپلوریشن ویل ڈرل کرنے کی تیاری کر رہا ہے، جس میں جدید ڈرائنگ ٹیکنالوجی استعمال کی جائے گی تاکہ مقامی گیس کی پیداوار کو زیادہ سے زیادہ بڑھایا جاسکے۔

نومبر 2024 میں حب پاور ہولڈنگز لمیٹڈ (HPHL) نے ایک مائننگ کمپنی آرک میٹلز (پرائیویٹ) لمیٹڈ اور اس کے شیئر ہولڈرز کے ساتھ پاکستان میں معدنیات کی تلاش اور ترقی کے لیے ایک مشترکہ منصوبے کا معاہدہ کیا۔



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Hub Power Company Limited Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Hub Power Company Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 19, 2025

UDIN: CR2025100800jbnl6hLA

Statement Of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019

The Hub Power Company Limited

For the year ended June 30, 2025.

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are nine (9) as per the following:

- Male: seven (7)
- Female: two (2)

2. The composition of Board is as follows:

Category	Name
Independent Directors	Mr. Saad Iqbal Mr. Shafiuddin Ghani Khan Mr. Syed Bakhtiyar Kazmi
Non-executive Directors (Male)	Mr. M. Habibullah Khan Mr. Aly Khan Mr. Manzoor Ahmed
Executive Director	Mr. Muhammad Kamran Kamal
Non-Executive Directors (Female)	Ms. Aleeya Khan Ms. Samina Mumtaz Zehri

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (The Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. 8 out of 9 directors are duly certified or are exempted from Director's Training Program.
10. There were no changes in the position of Company Secretary, Head of Internal Audit and Chief Financial Officer.

11. The Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
12. The election of the Board of Directors was held on October 5, 2024 and the Board reconstituted its two Committees in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, comprising of members given below:

Board Audit & Risk Committee (BA&RC)	Board Nomination, Compensation & Sustainability Committee (BNC&SC)
Mr. Saad Iqbal (Chairman)	Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Aly Khan	Mr. Aly Khan
Mr. Manzoor Ahmed	Ms. Aleeya Khan
Mr. Syed Bakhtiyar Kazmi	Mr. Manzoor Ahmed

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance;
14. The frequency of meetings of the Committees were as per following:
 - a) Board Audit & Risk Committee: five (5) meetings have been convened during the financial year ended June 30, 2025;
 - b) Board Nomination, Compensation & Sustainability Committee (formerly BNCC): one (1) meeting has been convened during the financial year ended June 30, 2025;
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with, and
19. Explanation for non-compliance with requirements, other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

a) Disclosure of significant policies and synopsis of TORs on website (Regulation 35)

The Company may consider to upload synopsis of the terms of reference of the board committees (Board Audit & Risk Committee and Board Nomination, Compensation & Sustainability Committee), and DE&I and sustainability policies on the Company's website, once approved.

b) Directors Training (Regulation 19)

No female executive or departmental head has obtained training under the program to date. However, the company is committed to strengthening its governance framework and intends to facilitate Directors' Training Program participation for female executives and departmental heads in the upcoming year.

c) Reporting of BNC&SC committee to the Board (Regulation 10(A))

During the year, Board has reconstituted Board Nomination and Compensation Committee to Board Nomination, Compensation and Sustainability Committee (BNC&SC). A meeting of the committee was held prior to the reconstitution. No meeting has been held since the reconstitution of the Committee.



Mr. M. Habibullah Khan

Chairman

Karachi

Date: September 03, 2025

Independent Assurance Report To The Board of Directors

On the Statement of Compliance with the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 For The Year Ended June 30, 2025



1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) and Sukuk (Privately Placed) Regulations, 2017-External Shariah Audit of the Company for assessing compliance of The Hub Power Company Limited's (the Company) financial arrangements, contracts and transactions, in relation to the Sukuk-13 amounting to Rs. 6,000 million (referred to as "the Sukuk") having Shariah implications with the Shariah principles (criteria specified below) for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioner and independent Shariah Scholar.

2. Applicable Criteria

The Criteria for the assurance engagement, against which the Statement of Compliance with the Shariah Governance Regulations, 2023 and Sukuk (Privately Place) Regulations, 2017 for the year ended June 30, 2025 (the Statement) (underlying subject matter information) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) Legal and regulatory framework administered by the Commission;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- d) Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and,
- e) Approvals, rulings or pronouncements of Shariah supervisory board or the Shariah advisor of the Company, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations in the above criteria.

The above criteria were evaluated for their implications on the documents and transactions of the Sukuk issued by the company as reflected in the annexed Statement of Compliance for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions, in relation to the Sukuk, having Shariah implications, entered into by the Company with its sukuk holders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQMI) "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts, and transactions in relation to the Sukuk having Shariah implications with Shariah principles, in all material respects for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Company's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement in relation to the Sukuk.

The procedures selected by us for the engagement depend on our judgement, including an assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Company's compliance with Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions in relation to the Sukuk having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles.

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Company's financial arrangements, contracts and transactions for the year ended June 30, 2025 in relation to the Sukuk are in compliance with the Shariah principles, in all material respects.



Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: September, 03 2025

Statement of Compliance with the Shariah Governance Regulations, 2023 & Sukuk (Privately Placed) Regulations 2017

For The Year Ended June 30, 2025

This Statement of Compliance (the Statement) for the year ended June 30, 2025, is being presented to comply with the requirements under the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 (the Regulations) issued by the Securities and Exchange Commission of Pakistan (SECP).

The Hub Power Company Limited (the Company) is in compliance with the Shariah requirements in accordance with the Regulations for the financial arrangements, contracts and transactions, entered into by the Company in respect of the Islamic instruments (the Instruments) as tabulated below,

S. No	Name of Instrument 1	Issue Size	Date of issuance	Date of settlement
1	STS-13 Issue	(Rs. Mn) 6,000	3 rd May 2024	4 th November 2024

We also confirm that:

- The Company has established procedures and processes for all Sukuk related transactions to comply with Sukuk features and applicable Shariah governance law requirements.
- The Company has implemented and maintained such internal control and risk management system, that the management determines necessary to mitigate the risk of non-compliances of the Sukuk features and applicable Shariah governance law requirements, whether due to fraud or error.
- The Company has a process to ensure that the management and, where appropriate authorized personnel responsible to ensure the Company's compliance with the Sukuk related features and applicable Shariah governance law requirements, are properly trained and systems are properly updated.

We also confirm that the Company in respect of the Sukuk is in compliance with:

- a) Rules, regulations and directives issued by the SECP;
- b) Pronouncements of Shariah Supervisory Board;
- c) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP, if any; and
- d) Approvals and rulings given by the Shariah Advisor of the Sukuk which are in line with the Regulations and in accordance with the rulings of Shariah Advisory Committee.



Kamran Kamal

Chief Executive Officer

Shariah Compliance Review Report



Hub Power Company Limited - Short Term Sukuk

Chief Executive Officer,
Hub Power Company Limited
9th Floor, Ocean Tower, G-3, Block-9,
Main Clifton Road,
P.O. Box No. 13841,
Karachi

Dear Sir,

Assalam o Alaikum

Shariah Review Report for the period ended 30 June 2025

In accordance with the Shariah Governance Regulations issued by Securities & Exchange Commission of Term Pakistan Sukuk (SECP), of up-to Shariah Review is required for the Rated, Unsecured, Privately Placed Short Limited, in light of PKR 6,000 Mn, a Shariah Compliant instrument Issued by Hub Power Company of the approved Shariah Structure of the transaction.

In light of the above, I confirm that the transaction documents/the relevant documentation and the procedure adopted are in accordance with the Shariah Principles as laid out in the approved Shariah Structure.

I confirm that the affairs of the company in issuance of the Shariah compliant instrument were in accordance with the rules and principles of Shariah to the best of my knowledge.

Furthermore, I confirm that for the purpose of this Shariah compliant instrument no non shariah compliant income will be accounted for in the calculation of Shirkat ul aqd profit which will be further distributed to the sukuk holders.

Hafiz Muhammad Shoaib

CNIC# 31201-1550326-9

SECP/IFD/SA/146

Dated: July 9, 2024

Independent Assurance Report To The Board of Directors

On the Statement of Compliance with the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 For The Year Ended June 30, 2025



1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) and Sukuk (Privately Placed) Regulations, 2017-External Shariah Audit of the Company for assessing compliance of Hub Power Holding Limited's (the Company) financial arrangements, contracts and transactions, in relation to the Sukuk amounting to Rs. 6,000 million (referred to as "the Sukuk") having Shariah implications with the Shariah principles (criteria specified below) for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioner and independent Shariah Scholar.

2. Applicable Criteria

The Criteria for the assurance engagement, against which the Statement of Compliance with the Shariah Governance Regulations, 2023 and Sukuk (Privately Place) Regulations, 2017 for the year ended June 30, 2025 (the Statement) (underlying subject matter information) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) Legal and regulatory framework administered by the Commission;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- d) Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and,
- e) Approvals, rulings or pronouncements of Shariah supervisory board or the Shariah advisor of the Company, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations in the above criteria.

The above criteria were evaluated for their implications on the documents and transactions of the Sukuk issued by the company as reflected in the annexed Statement of Compliance for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions, in relation to the Sukuk, having Shariah implications, entered into by the Company with its sukuk holders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM - I) "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of the Work Performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts, and transactions in relation to the Sukuk having Shariah implications with Shariah principles, in all material respects for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Company's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement in relation to the Sukuk.

The procedures selected by us for the engagement depend on our judgement, including an assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Company's compliance with Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions in relation to the Sukuk having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles.

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Company's financial arrangements, contracts and transactions for the year ended June 30, 2025 in relation to the Sukuk are in compliance with the Shariah principles, in all material respects.



Reanda Haroon Zakaria & Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: September, 01 2025

Statement of Compliance with the Shariah Governance Regulations, 2023 & Sukuk (Privately Placed) Regulations 2017

For The Year Ended June 30, 2025

This Statement of Compliance (the Statement) for the year ended June 30, 2025, is being presented to comply with the requirements under the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 (the Regulations) issued by the Securities and Exchange Commission of Pakistan (SECP).

Hub Power Holdings Limited (the Company) is in compliance with the Shariah requirements in accordance with the Regulations for the financial arrangements, contracts and transactions, entered into by the Company in respect of the Islamic instruments (the Instruments) as tabulated below;

S. No	Name of Instrument 1	Issue Size	Date of issuance	Date of settlement
1	LTS- 1st Issue	6,000	12 th November 2020	12 th November 2024

We also confirm that:

- The Company has established procedures and processes for all Sukuk related transactions to comply with Sukuk features and applicable Shariah governance law requirements.
- The Company has implemented and maintained such internal control and risk management system, that the management determines necessary to mitigate the risk of non-compliances of the Sukuk features and applicable Shariah governance law requirements, whether due to fraud or error.
- The Company has a process to ensure that the management and, where appropriate authorized personnel responsible to ensure the Company's compliance with the Sukuk related features and applicable Shariah governance law requirements, are properly trained and systems are properly updated.

We also confirm that the Company in respect of the Sukuk is in compliance with:

- a) Rules, regulations and directives issued by the SECP;
- b) Pronouncements of Shariah Supervisory Board;
- c) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP, if any; and
- d) Approvals and rulings given by the Shariah Advisor of the Sukuk which are in line with the Regulations and in accordance with the rulings of Shariah Advisory Committee.



Kamran Kamal

Chief Executive Officer

Shariah Compliance Review Report

Annual Shari'ah Review Report

for Hub Power Holdings Limited Sukuk based on
Diminishing Musharakah (Sale & Lease Back)
Rated, Secured, Privately Placed Sukuk Issue of PKR 6 Billion
For the period ended on June 30, 2025

This was the overall 16th and last Shariah review of this instrument since its issuance.

Our Opinion:

We have conducted the Shariah review of the said Sukuk for the period ended on June 30, 2025 in accordance with the provisions of **Shariah Governance Regulations 2023 & Sukuk (Privately Placed) Regulations 2017** and in our opinion:

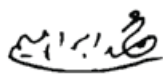
- a) The transactions & the relevant documentation and the procedures adopted have been in accordance with the rules and principles of Shariah.
- b) The affairs have been carried out in accordance with rules and principles of Shariah.
- c) Further, no Shariah non-compliant income has been earned by the participants during the quarter, as the source of earning is only rentals against the leased assets and the rental was paid during the period.

Further, the early buyout took place on 13th November 2024, facilitating early redemption in compliance with Shariah principles. Accordingly, the principal amount was duly paid to the participants.

Based on our review, overall the Security is Shariah Compliant and was completed in Shariah compliant manner.

We pray to Allah Almighty to grant us success and keep us away from every hindrance and difficulty and give financial success to Hub Power Holdings Limited.

For and on behalf of **Alhamd Shariah Advisory Services (Private) Limited**



Mufti Ibrahim Essa

Chief Executive Officer

Dated: Aug 25, 2025



Mufti Uzair Bilwani

Head-Research & Development

Corporate Governance

AGM Issues and Responses

The 33rd Annual General Meeting of the Company was held on September 30, 2024. During the AGM, queries and clarifications were sought on the Company's financial statements, which were resolved to the satisfaction of the shareholders. Apart from the said queries, no significant issues or concerns were raised by the shareholders.

Code of Business Ethics

As we strive to improve our performance in a fast-changing, competitive world, we endeavor to always remain true to our Code of Business Ethics. They are a bedrock of our success, in tough times and good times, governing how the Company conducts its affairs. The code of ethics describes the behavior HUBCO expects of its employees and what our employees can expect from the Company. The code is more than a set of rules. It underlines the core principles that the Company expects its employees to live by, such as honesty, integrity and respect for people. The conduct of employees is evaluated on how our employees continue to live by these core principles, both in intention and spirit.

The key task for every employee of the Company is to ensure sustainability and reliability of our business, strengthening the relationship with the customer and building on the Company's image of a good corporate citizen. We ensure that we maintain a stellar reputation amongst our shareholders, customers, the Government and suppliers alike – as a Company that observes the highest standards of personal and corporate integrity.

Company's Code of Business Ethics sets out the minimum standards expected of the entire team. This ensures that the Company maintains good reputation by dealing and being seen to deal with all our business contacts in a professional and acceptable way. Unethical practices of any sort are not allowed to find their way into the business.

We believe that employees have a duty to themselves and to the Company to raise any matters of business conduct or ethics which cause concern. Employees are not allowed to commit an illegal or unethical act, nor instruct and/or encourage another employee to do so. The known laws and regulations of the country should always be followed.

Business Ethics followed by the Company help to protect both the employees and the Company from unfounded accusations of deception and fraud and ensure that where corruption and fraud have or might have taken place, it is properly investigated and dealt with in a timely manner. As a general rule, we treat our employees as Company's ambassadors to all our stakeholders and therefore, employees are expected to promote the Company's best interests whilst maintaining the highest standards of personal integrity and business practice in all their dealings.

Employees must always act in the interest of the Company's shareholders and must abide by the Company's stated standards of environmental, safety and management practices. The application of these principles is underpinned by a comprehensive set of assurance procedures, which are designed to make sure that our employees understand the principles and confirm that they act in accordance with them. We believe that the Code of Business Ethics has been fundamental in the manner in which we have conducted our business and ourselves with respect to the environment in which we operate and living by them remains crucial to our continued success.



Role of Shariah Advisors

The Alhamd Shariah Advisory Services (Private) Limited (ASAS) provides Shariah Advisory for Long Term Sukuks, and professional staff trainings for a remuneration of Pak Rupees Two Hundred Fifty Thousand, exclusive of SRB taxes per year. Mufti Hafiz Muhammad Shoaib is the Shariah Advisor for Short Term Sukuk, and the remuneration is covered under the arrangement fee of Meezan Bank Limited. Reanda Haroon Zakaria Aamir Salman Rizwan & Company is our Shariah External Auditor for these sukuks and their remuneration is fixed at Pak Rupees One Hundred Sixty Five Thousand and any applicable SRB taxes.

Alhamd Shariah Advisory Services (Private) Limited (ASAS) is a Private Limited Company registered with the Securities and Exchange Commission of Pakistan (SECP) under the Shariah Advisors Regulations, 2017. Established solely with the service objectives of promoting Halal, Shariah Compliant Financial System globally, it operates under its Board of Directors comprising of leading Shariah Scholars working for well recognized Darul-Ulooms (Islamic Seminaries). They provide complete Shariah advisory and consultancy services to financial institutions, Insurance/Takaful companies, Leasing companies, Modarba companies, Micro-finance institutions, Manufacturing companies, Trading companies, and NGOs. It structures the products and securities with the objective of advising as to whether or not such services or activities are in conformity with the principles of Shariah and to recommend the necessary changes to make them Shariah Compliant. It provides a unique combination of Shariah advisory services customized to meet different jurisdictions and regulations.

Mufti Hafiz Muhammad Shoaib is a Shariah Scholar carrying more than 7 years' experience of Shariah Compliance in multiple organizations including AL Ghani Motors, Arif Habib Power Cement, Salaam Takaful, Soneri Bank and Meezan Bank. Currently, he is serving in Meezan Bank as SCD analyst.

He graduated from Jamia Dar ul Uloom Karachi and obtained his Shahadatul Alamia (Masters in Arabic and Islamic Studies) from there in 2017. After that, he secured 3 years Takhassus fi Fiqh il Muamlat (Specialization in Islamic Commercial Law and Management Sciences) from Jamia tur Rasheed Karachi in 2020. He has done 16 year's BS from University of Karachi and Master of Business Administration from Institute of Business Management (IoBM) Karachi. He is also a Certified Shariah Auditor and Advisor (CSAA) from AAOIFI and authorized Shariah advisor from Securities and exchange commission of Pakistan (SECP).

Mufti Shoaib has also been associated as visiting faculty member with multiple institutes i.e. Madaris and Universities in Pakistan and taught different courses specifically about Islamic jurisprudence and Islamic Finance. During his banking career, he has served as Islamic Banking Trainer and has also conducted multiple awareness sessions of Islamic Banking to create awareness about Islamic Banking concepts and practices among the general public and academia.

Anti-Corruption Measures

The Company severely rejects corrupt business practices and does not give or receive bribes in any manner, shape or form in order to retain or bestow business or financial advantages. All employees of the Company are directed that any demand for or offer of such a bribe must be immediately rejected and reported to the management.

In 2024-25, there were no incidents of corruption and no legal actions during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

CEO's Performance Review

Each year, the Board reviews the performance of the CEO against pre-determined operational and strategic goals. The CEO is to manage the Company, implement strategic decisions and policies of the Board and align the Company's direction with the vision and objectives set by the Board.

Role of Chairman

The Chairman's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's vision and strategy. The Chairman of the Board ensures effective operations of the Board and its committees in conformity with the highest standards of corporate governance and ensures that all Board committees are properly established, composed and operated. He is also responsible for setting the agenda, style and tone of the Board discussions to promote constructive debate and effective decision-making.

Role of Chief Executive

The Company is run by its Board of Directors and its affairs are managed on a day-to-day basis by the Chief Executive under the direction and control of the Board.

In performing his tasks, the Chief Executive is required to protect and improve the shareholders' value and the long-term health of the Company.

Board's Performance Evaluation

The Board's performance was carried out internally, and no external consultant was engaged.

Orientation for Directors

The Chairman of the Board issues a formal letter to the newly appointed director outlining their role, obligations, powers and responsibilities in accordance with the Act and the Company's Articles of Association. The letter consists of detailed remuneration and entitlements.

Diversity in the Board

The qualifications and composition of the Company's Board of Directors comply with the requirements established by the Companies Act 2017, the Code of Corporate Governance 2019, and the best practices outlined in the Articles of Association.

Gender Breakdown of Committees:

Board Nomination, Compensation & Sustainability Committee

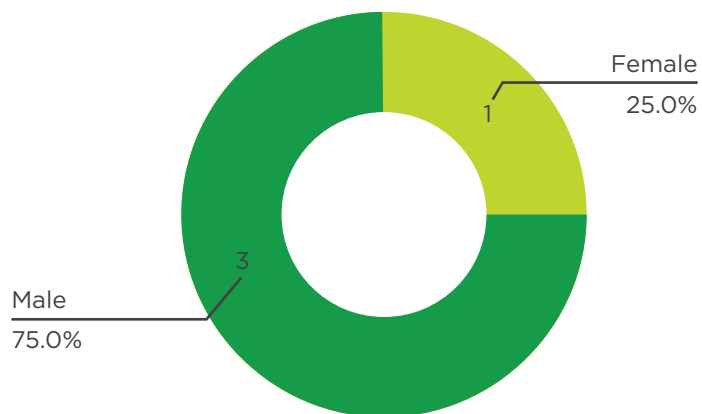


Figure 1. Gender Composition of BNC&SC

Board Audit & Risk Committee

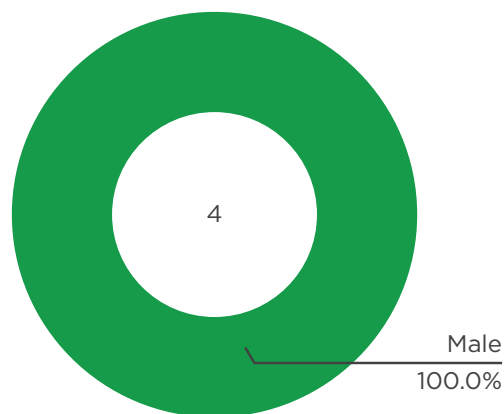


Figure 2. Gender Composition of BA&RC

Board of Directors

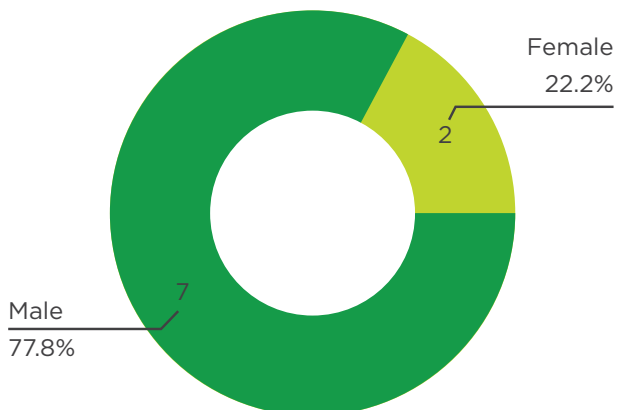


Figure 3. Gender Composition of BOD

The two largest shareholders hold four seats on the Board. A member of the Government of Balochistan is also a nominee Director. Furthermore, minority shareholders, as a class, have the option to contest the election of directors through proxy solicitation, as provided in the CCG Regulations. This framework ensures a balance between major shareholder representation and the rights of minority investors to participate in the governance process. Each Board member has a tenure of 3 years.

Board Meetings Held Outside Pakistan

All board meetings were conducted in Pakistan.

Safety of Records

The Company's Record Retention Policy forms a key part of its Business Continuity Plan (BCP), ensuring the secure preservation of critical records beyond legal compliance. Documents related to finance, legal, secretarial, contractual and tax matters are archived systematically for easy and secure retrieval.

Key Measures Include:

- **Real Time Data Backup:** Continuous backups are maintained both on-site and in secure cloud storage for redundancy and quick recovery.
- **Physical Security:** Records are protected against fire, environmental damage and natural disasters using advanced storage infrastructure.
- **Access Control:** A hierarchical, password-protected access system restricts record access to authorized personnel only.
- **Whistleblowing Protocol:** Immediate reporting of any security breach or damage to records is encouraged under the Information Security Policy.
- **Disaster Recovery Site:** A dedicated DR site ensures backup and rapid restoration of critical data.
- **Departmental Oversight:** Each department is responsible for the safekeeping of its records, ensuring compliance with retention and security standards.
- **Digital Archiving:** Physical documents are electronically backed up, enabling secure and efficient retrieval.

This structured approach ensures the integrity, availability and confidentiality of vital records, supporting operational resilience and regulatory compliance.

Board's Statement on Business Continuity and Disaster Recovery Plan

A strong Business Continuity Plan (BCP) in the realm of IT is crucial for ensuring seamless operations and mitigating risks during unforeseen disruptions. We have a comprehensive Business Continuity Plan that encompasses strategies and procedures designed to maintain essential IT services and minimize downtime in case of disasters or emergencies. Key components include establishing redundant systems such as a Disaster Recovery (DR) Site, where critical data and applications like Oracle ERP are replicated and ready for immediate deployment if the primary site fails. Testing and simulation exercises are also done regularly which is an integral to the BCP, ensuring that recovery processes are well-rehearsed and can be swiftly executed when needed.

A comprehensive Disaster Recovery Plan (DRP) is in place and a DR Site is established for critical systems, including Oracle ERP, ensuring robust business continuity. Regular data synchronization between the primary site and DR Site is configured to enable seamless switching in disaster scenarios. Additionally, as part of the business continuity plan, data is regularly backed up on a Cloud Library to safeguard against malware attacks and ensure swift recovery processes.

Prioritizing IT resilience and continuity enables us to maintain seamless operations, uphold high service standards and safeguard reputation even in the face of challenging circumstances.

Policy on Conflict of Interest

HUBCO's Conflict of Interest policy is designed to ensure that employees act in the best interest of the Company by avoiding situations where personal interests could interfere with professional duties. This includes relationships with suppliers, customers and other third parties.

Potential conflicts include but are not limited to: holding financial interests in competing or partnering companies, accepting inappropriate gifts, working second jobs that impair performance or participating in decisions that involve close family members. Employees must disclose such conflicts in writing to their manager, who may require them to recuse themselves from related transactions.

Senior leadership, including the CEO and Board Audit & Risk Committee, handle conflict resolution involving high-level employees or where transactions exceed Rs. 10 million. In cases of uncertainty, employees are encouraged to consult the Head of Internal Audit, who will coordinate a review and seek legal input before referring the matter to the CEO for a final decision.

The Board Audit Committee shall resolve any conflict of interest question involving the Chairman, CEO or a director, and the CEO shall resolve any conflict of interest issue involving any other employee of the Company.

Speak Up Policy

Introduction

The Company's Speak Up Policy has been approved by the Board and provides a secure framework for all employees, contractors, vendors and customer to report concerns about unethical behaviour, policy breaches or misconduct without fear of retaliation. This policy reinforces our commitment to integrity, transparency and continuous improvement.

Mechanism to Receive Complaints

Concerns may be submitted confidentially via email, a dedicated channel accessible only by the Head of Internal Audit. Reports involving senior officials may be escalated directly to the Chairman of the Board Audit & Risk Committee. Any complaint received by other employees or executives must be redirected to this channel to ensure centralized handling. While reporting within 30 days of awareness is encouraged to preserve evidence, there is no strict deadline.

Fair and Transparent Handling

Upon receipt, the Head of Internal Audit assesses each disclosure for credibility and acknowledges receipt to the reporter. Pre-investigation committee is formed to assess the credibility and grounds for the complaint. Investigations are conducted in accordance with the guiding principles of confidentiality, fairness, objectivity and the right to be heard. Where appropriate, Legal and HR support the Internal Audit team to ensure thorough fact-gathering and documentation. Investigation findings and recommended remedial or disciplinary actions are reviewed and approved by the BA&RC.

Protection Against Victimisation

The policy strictly prohibits any form of retaliation, including dismissal, demotion, suspension, transfer, harassment or discrimination against anyone who reports concerns or participates in an investigation. The identities of whistleblowers and witnesses are kept confidential unless disclosure is legally mandated. Interim measures, such as temporary reassignment or leave, may be provided to protect individuals during investigations.

Board Audit & Risk Committee

Quarterly reports detailing the number, nature, status and outcomes of Speak Up submissions are presented to the Board's Audit & Risk Committee. Periodic policy reviews, informed by these reports and emerging best practices, ensure that the framework remains effective and aligned with regulatory requirements.

During the year, two Speak Up submissions were received, one at NEL and one at LEL, both of which were dealt with in accordance with the Company's Speak Up Policy

Compliance with Laws and Regulations

No significant non-compliances occurred during this period, including activities concerning product and service information and labelling, product marketing communications and anti-competitive behavior, anti-trust, and monopoly practices. In addition, no tax relief (aside from tax exemption for income from power generation), credit or holiday is provided by the Government to the group and the firm has not made financial or political contributions. There have also been no violations involving rights of indigenous people and no operations with significant actual and potential negative impacts on local communities.

Board Audit & Risk Committee Report

Composition of the Committee

The Board Audit and Risk Committee (BA&RC or the Committee) of HUBCO is composed of four non-executive directors. The Chairman of the Committee is financially literate and an independent director, ensuring unbiased oversight and governance.

The Head of Internal Audit has been appointed as the secretary of the Committee. Chief Financial Officer and other senior officials attend the Committee meetings on invitation.

Financial Statements

The Committee reviews the quarterly, half-yearly and annual performance of the Company, including its financial position and cash flows.

The Committee has ensured that the Company's financial statements present a fair, balanced and understandable picture of the company's financial position and performance, and reports that:

- The standalone and consolidated financial statements for the year ended June 30, 2025 have been prepared on a going concern basis and conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required.
- The financial statements give a true and fair view of the state of the Company's affairs as of June 30, 2025, and the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.
- The auditors have concluded the audit of the above financial statements in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan and issued unmodified audit reports.
- Major judgmental areas and significant adjustments have been thoroughly reviewed and adequately addressed in the financial statements.
- Accounting policies and practices have been disclosed in the financial statements and consistently applied
- The transactions with related parties have been conducted at mutually agreed terms and conditions and properly disclosed in the financial statements as reviewed by the Committee and approved by the Board.
- The Committee evaluated the appropriateness of key accounting estimates and judgments made by management, ensuring they were reasonable and in line with industry practices.
- The independent auditors have reviewed and certified the Company's statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 in a Review Report issued thereon.
- The committee ensured that significant issues were thoroughly reviewed and adequately addressed in the financial statements to reflect a true and fair view of the company's financial health.
- On October 1, 2024, HUBCO and the Power Purchaser entered into a Negotiated Settlement Agreement providing for:
 - Early termination of the Implementation Agreement, PPA, GOP Guarantee and Fuel Supply Agreement;
 - Receipt by HUBCO of Rs. 36,499 million in full and final settlement of all outstanding liabilities; and
 - Transfer to the Purchaser of all ongoing FSA obligations.
- The Committee reviewed management's assessment of contingent recoveries, (a) reimbursement of any sales-tax shortfall upon final adjudication of the CPP apportionment appeal, and (b) invoicing of WWF and WPPF accruals up to June 30, 2025, and concurred with the going concern basis applied to the financial statements.

Risk Management and Internal Control

The Committee has a comprehensive approach to risk management and internal control, guided by HUBCO's Enterprise Risk Management (ERM) framework and Statement of Internal Control System. This includes regular assessments of the company's risk profile, implementation of robust internal control systems and continuous monitoring of compliance with regulatory requirements.

The ERM framework ensures the identification, assessment and mitigation of risks across all levels of the organization. The outcomes of these processes are transparently disclosed in the annual report, demonstrating the company's commitment to maintaining high standards of risk management and internal control.

The internal control system is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Board reviews the effectiveness of established internal controls through the Committee, which receives reports from management, Internal Audit and the external auditor on the systems of internal control and risk management arrangements. The Committee ensures that necessary actions are taken to address any significant failings or weaknesses identified.

Following the early termination settlement, the Committee continues to monitor risks around (a) the final outcome of the CPP sales-tax appeal (potential reimbursement timing), and (b) any residual liabilities under WWF/WPPF that may crystallize upon apex-court adjudication. Management's alternate-use plans for the Hub site and equity-investment cash flows have been stress-tested accordingly.

Role of Internal Audit

The Company has established an independent Internal Audit function, integral to HUBCO's risk management and internal control framework.

The Internal Audit team has direct access to the Committee, ensuring independence and objectivity in their evaluations.

The committee regularly reviews the performance of the Internal Audit function, ensuring it operates effectively and contributes to the overall governance framework of the company.

The internal audit function executed its tasks in alignment with the annual internal audit plan approved by the Committee, along with additional special assignments as directed by the Committee. The internal audit team also ensured the implementation of the company's risk management and ethics policies.

Management facilitated coordination between the internal and external auditors to ensure efficient audit processes and transparency in maintaining a reliable financial reporting and internal control system.

Confidential Reporting and Remedial Measures

The committee has established arrangements for staff and management to report any concerns about actual or potential improprieties confidentially.

External Audit Process

The Committee discussed the audit process and observations with the external auditors of the Company, A.F. Ferguson & Co., Chartered Accountants. The committee also gave the opportunity to the auditors to report any matters in the absence of any company officials including the CFO and Head of Internal Audit.

The Committee assessed the effectiveness of the external audit process by reviewing the auditor's performance, independence and objectivity.

The committee follows a rigorous approach for the appointment or reappointment process of the external auditors. Being eligible, the auditors have offered themselves to be reappointed for the financial year ended June 30, 2026.

Recommendation of External Auditors

There were no recommendations to replace the external auditors before the completion of their term. The current external auditors have consistently met the committee's performance expectations and maintained their independence.

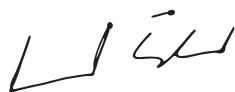
Fairness of the Annual Report

The Committee believes that the Annual Report is fair, balanced and understandable. It provides comprehensive information to shareholders, enabling them to assess the company's position performance, business model and strategy accurately.

Whistle-Blowing Incidents

The Company has established confidential reporting channels to ensure concerns regarding unethical behaviour, policy breaches or misconduct are reported without fear of retaliation or discrimination.

The Committee reviews the number of reports and their outcomes on a quarterly basis. The committee ensures the reported incidents are thoroughly investigated and appropriate actions are taken to address any issues raised. The committee continues to encourage a culture of transparency and accountability within the organization.



Saad Iqbal

Chairman – Board Audit and Risk Committee
The Hub Power Company Limited

Calendar of Corporate Events

Actual Dates for The Financial Year 2024-25

Board Approval of Financial
Statements for First Quarter
ended September 30, 2024

OCTOBER 30, 2024

Board Approval of Financial
Statements for Second Quarter
ended December 31, 2024

FEBRUARY 26, 2025

Board Approval of Financial
Statements for Third Quarter ended
March 31, 2025

APRIL 29, 2025

Board Approval of Financial
Statements for Fourth Quarter and
year ended June 30, 2025

SEPTEMBER 2025

Tentative Dates for The Financial Year 2025-26

Board Approval of Financial
Statements for First Quarter
ended September 30, 2025

(Last week of
OCTOBER 2025)

Board Approval of Financial
Statements for Second Quarter
ended December 31, 2025

(Last week of
FEBRUARY 2026)

Board Approval of Financial
Statements for Third Quarter
ended March 31, 2026

(Last week of
APRIL 2026)

Board Approval of Financial
Statements for Fourth Quarter
and year ended June 30, 2026

(Last week of
AUGUST 2026)

Calendar of Major Events

Final Cash Dividend for year ending June 30, 2024, dispatched to shareholders on

October
11, 2024



Incorporation of HUBCO Green (Private) Limited through HPHL on

November
1, 2024

Investment in Ark Metals (Private) Limited through HPHL on

November
21, 2024



Interim cash Dividend dispatched to shareholders on

March
24, 2025

Stakeholder's Relationship & Engagement

Background

We foster transparency, trust and collaboration with all our stakeholders. We identify our stakeholders through a thorough analysis of our business operations and their impact, ensuring we address the needs and concerns of those who influence or are influenced by our activities. Key stakeholders include investors, customers and suppliers, financial analysts, banks and lenders, media, regulators, employees, local communities and the general public. Engagement with these groups is managed through regular communication, consultations and feedback mechanisms to ensure their interests are considered in our decision-making processes.

Stakeholder Engagement

Stakeholder engagement involves the strategic management of key relationships, detailing the frequency and impact on the company's performance and value throughout the year. This ongoing process ensures transparency and fosters mutual trust, aligning with business and corporate requirements, including the Code of Corporate Governance, contractual obligations and situational necessities.

Investors / Shareholders

We maintain regular communication with our investors and shareholders through quarterly reports, annual general meetings and periodic updates, ensuring they are well-informed about our financial health and strategic direction.

Customer and Supplier

Engagement with the customer and supplier is crucial for operational efficiency. We hold routine meetings to discuss supply chain management, contract fulfilment and collaborative projects, ensuring a seamless flow of resources and services.

Financial Analysts

Our interactions with financial analysts include periodic briefings, earnings calls, and one-on-one meetings to provide insights into our financial performance, strategic initiatives and market outlook.

Banks and Other Lenders

To maintain strong financial partnerships, we engage with banks and other lenders through regular financial reviews, compliance reporting and strategic discussions on financing needs and opportunities.

Media

We leverage multiple communication mediums to keep the public informed about new developments, activities and initiatives. This strategy ensures transparency, fosters trust and enhances our corporate image. Our approach includes timely press releases, active social media engagement and print and electronic article publications.

Regulators

We engage with regulatory bodies through formal submissions, compliance audits and regular consultations to ensure adherence to legal and industry standards.

Employees

Our employees are our greatest asset. We foster open communication through town hall meetings, feedback mechanisms and open-door policy, promoting a positive and inclusive work environment.

Local Community and General Public

Beyond our engagement with local communities near our plant sites, HUBCO extends its outreach to the broader public through robust community development programs and CSR initiatives. Our CSR team focuses on critical intervention areas: education, health, livelihood and infrastructure development, with the goal of uplifting and empowering society. By aligning our efforts with the United Nations' Sustainable Development Goals, we ensure that our initiatives drive meaningful global progress and create a lasting positive impact on communities.

For more details, please refer to page number 118.

Encouraging Minority Shareholders to Attend General Meetings

Our management takes proactive steps to encourage minority shareholders to attend general meetings and actively participate in the decision-making process. We ensure timely and transparent communication by providing early notifications about upcoming meetings, including detailed agendas and relevant materials. Meetings are scheduled at accessible locations and convenient times, with virtual participation options available for broader accessibility. We conduct Q&A sessions to engage shareholders and address their concerns. Additionally, we welcome feedback from all shareholders to continuously improve our meeting process and engagement strategies, demonstrating our commitment to fostering an inclusive environment where all shareholders can contribute to the company's governance and growth.

Investor Relations

We maintain a dedicated Investor Relations section on our corporate website to ensure transparent and effective communication with our investors. This section provides comprehensive information on the following:

- Financial Reports and Ratios • Investor Presentations • Important Notices • Shareholder Information
- Financial Results/Dividends • Shareholding & Free Float • Election of Directors • Compliance Updates

By offering timely and detailed disclosures, we aim to keep our investors well-informed and engaged with our company's progress and plans.

Statement of Value Added and Its Distribution

Our value-added statement reflects our commitment to equitable distribution among various stakeholders, ensuring sustainable growth and shared prosperity. The graphical presentation below illustrates how the value generated by the company is distributed:

Employees as Remuneration



We prioritize our employees' well-being by providing competitive salaries, benefits and incentives. A significant portion of the value added is allocated to employee engagement and personal development training.

Government as Taxes



We recognize our role in contributing to national and local economies through various tax obligations. Our tax payments include corporate income taxes, sales taxes, and other statutory levies. These taxes are vital in funding public services and infrastructure, supporting social programs, and fostering economic development. By fulfilling our tax responsibilities, we not only comply with legal requirements but also contribute to the stability and growth of the communities in which we operate.

Shareholders as Dividends



We ensure that our shareholders receive a fair return on their investment through regular dividend payouts. This reflects our commitment to delivering consistent value to our investors.

Providers of Financial Capital as Financial Charges



Our financial obligations to providers of capital, such as banks and lenders, are met through interest payments and other financial charges. This ensures the sustainability of our financial relationships.

Society as Donations



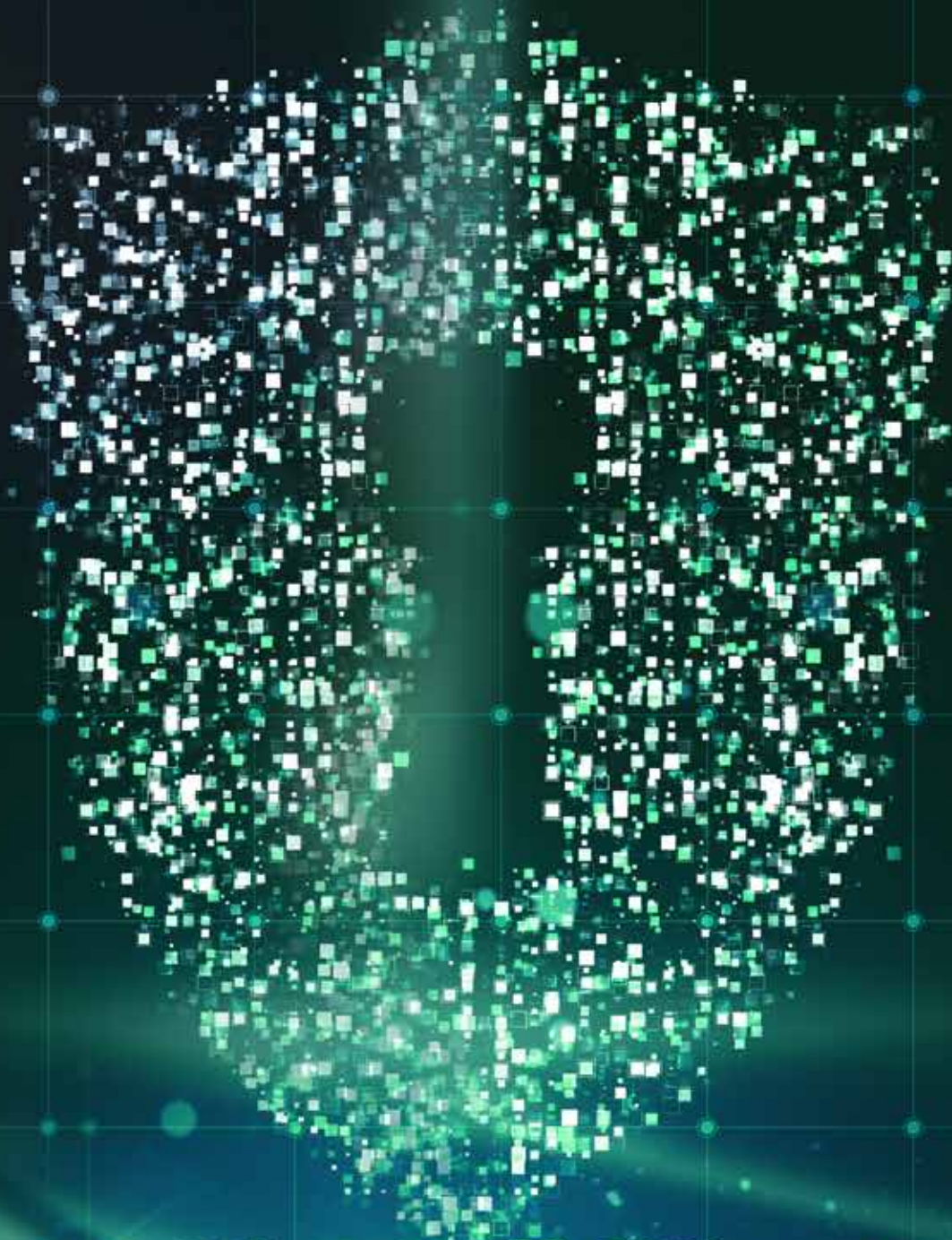
As part of our corporate social responsibility, we allocate funds for donations and community development projects. These initiatives support education, healthcare, livelihood and infrastructure development, contributing to societal well-being.

Retained within the Business



A portion of the value added is retained within the business to fund future growth, innovation and development. This reinvestment strengthens our financial position and ensures long-term sustainability.

IT Governance & Cybersecurity





Responsibility Statement on Cyber Risks

The IT department consistently evaluates the legal and regulatory landscape, aligning its practices with international standards to effectively monitor and mitigate cyber risks. This includes continuous tracking of changes in applicable laws and regulations, with strict adherence to the Information Security Management System (ISMS) and ISO/IEC 27001 standards. Throughout the year, no cyber risk breaches were reported, reflecting the department's strong commitment to compliance, proactive risk management and maintaining resilient cybersecurity.



Disclosure Related to IT Governance and Cybersecurity Programs

In alignment with the ISO/IEC 27001 Information Security Management System (ISMS) standards, HUBCO has established a comprehensive framework of Standard Operating Procedures (SOPs), guidelines and policies to safeguard IT assets and data. This framework includes a wide range of documented controls such as the Information Security Policy, IT Operations Procedures, IT Procurement Procedure, Software Development Life Cycle (SDLC), Access Control Policy, Cybersecurity Policy, Change Management Policy and Password Control Policy, among others. These policies collectively support robust IT governance, ensure compliance and strengthen the organization's overall cybersecurity posture.



Disclosure Related to Cybersecurity Matters

Management ensures that the Board of Directors (BOD) is regularly briefed on the performance and risk assessment of the IT infrastructure, in alignment with governance requirements. Cybersecurity risks are continuously monitored and documented within the Risk Register, which captures risk profiles, mitigation strategies, remedial actions and residual risk analyses.

The Head of IT routinely updates the Chief Financial Officer (CFO) on critical aspects of the IT environment, with a particular emphasis on preserving the confidentiality, integrity, and availability of IT assets. All IT and cybersecurity risks, along with their associated controls, are comprehensively maintained within the Risk Register.

This register is reviewed periodically by the IT team and is formally shared with Head of Internal Audit to ensure oversight and alignment with the organization's risk management framework.



Early Warning System

The IT department has established robust information security protocols aimed at monitoring, detecting and investigating cyber incidents, as well as implementing both preventive and corrective actions against cyber threats. Throughout the year, no critical threats were identified. To mitigate risks effectively, dedicated hardware and software solutions have been deployed.



Network Security

All network endpoints are protected by a state-of-the-art firewall featuring an integrated Intrusion Prevention System (IPS), Intrusion Detection System (IDS), DNS protection, DDoS mitigation, anti-malware capabilities and application control. This firewall, recognized as a leader in its category by Gartner, ensures comprehensive network protection. Additionally, remote users are provided with licensed company VPNs to enable secure and private access to critical servers.



End Point Security

All endpoints and hosts are safeguarded by advanced endpoint protection solutions, centrally managed through ePolicy Orchestrator (ePO) and supported by cloud-based servers. This setup guarantees continuous updates and maintains the integrity and security of all connected devices.



Multifactor Authentication (MFA)

MFA is enforced across all HubPower-linked accounts, significantly strengthening user authentication and reducing the risk of unauthorized access



Encryption

Data security is ensured through encryption both at rest and in transit. HUBCO utilizes the Advanced Encryption Standard (AES), a highly trusted algorithm as its primary method for data encryption.



Logical and Physical Access Control

Access to critical systems is governed by well-defined protocols. Privileged Access Management (PAM) is in place to tightly control elevated access, supported by additional layers such as multifactor authentication, PIN codes and biometric verification. Physical security is reinforced with CCTV surveillance and access restrictions enforced via RFID cards or biometric scanners.



Security Assessment of Technology Environment

At HUBCO, the IT department undergoes annual audits conducted by PwC to assess compliance with the Information Security Management System (ISMS) standard. The audit concludes with the issuance of a comprehensive report that confirms the compliance status of HUBCO's IT. This detailed report outlines the conclusions drawn from the audit findings, including observations and any identified instances of non-conformities. Furthermore, it provides valuable recommendations and suggestions aimed at improving the practices and procedures of the IT department. These recommendations are carefully reviewed and implemented as needed by the IT department to strengthen its security posture and operational resilience. Annual audits ensure that the IT department consistently meets industry standards and actively pursues opportunities for enhancement.

To strengthen HUBCO's cybersecurity posture, the IT department engaged reputable external third-party consultants. These consultants were tasked with conducting thorough cybersecurity assessments, including Vulnerability Assessment and Penetration Testing (VAPT). This initiative aimed to identify and address potential weaknesses in our IT infrastructure and systems. The VAPT process involved simulated attacks to uncover vulnerabilities that could be exploited by malicious actors. By partnering with external experts, HUBCO ensured a rigorous evaluation of our cybersecurity measures, enabling us to proactively enhance our defences and safeguard our operations against emerging cyber threats.

At HUBCO, safeguarding the security and continuity of our operations against potential IT failures and cyber threats is a top priority. Our comprehensive contingency and disaster recovery plan is designed to enable rapid and effective responses to such events. Key components of this plan include:

● **Risk Assessment and Preparedness**

Ongoing evaluations of potential risks and vulnerabilities within our IT infrastructure, coupled with proactive measures to mitigate them.

● **Incident Response Procedures**

Clearly defined protocols for promptly addressing IT failures or cyber breaches, covering containment, investigation and recovery actions.

● **Business Continuity Strategies**

Well-structured approaches to sustaining critical services and minimizing operational disruptions during and after incidents, ensuring minimal impact on stakeholders.

● **Testing and Validation**

Routine testing and validation of our contingency and recovery procedures to ensure their effectiveness and alignment with evolving threats.

This strategic framework ensures HUBCO remains resilient and responsive in the face of evolving cybersecurity challenges.

● **Digital Transformation**

HUBCO has adopted a fully virtualized infrastructure, leveraging cloud computing services to significantly lower ownership and operational costs. This transition also provides greater flexibility for deploying innovative solutions organization-wide.

To enhance its digital workplace, HUBCO utilizes SharePoint, Power Automate and Power Apps. SharePoint supports document management and team collaboration, Power Automate streamlines workflows across systems and Power Apps allows for low-code custom application development. Collectively, these tools boost efficiency, agility and innovation, while accelerating digital transformation and informed decision-making. They are essential to in-house application development and play a vital role in daily business operations

● **Cybersecurity Training Program**

The Information Technology department conducts regular awareness sessions at all HUBCO locations to educate employees about cybersecurity risks and preventive measures. These sessions address a broad range of topics, including the latest developments in cyber threats. To ensure widespread awareness and engagement, security updates are also shared with all users via email. Additionally, specialized cybersecurity training is offered upon departmental request or as needed to strengthen understanding and readiness throughout the organization.

Enterprise Resource Planning (ERP) Software



Integrated Inventory Management Across Core Business Processes

HUBCO utilizes Oracle ERP, which is fully integrated with other internal systems to manage and centralize information within a unified platform. This modular architecture facilitates seamless interaction across departments and ensures real-time updates. By automating workflows, the system enhances operational efficiency, consistency and decision-making.

Management Support for Effective Implementation and Continuous Improvement

Management actively oversees all IT-related projects, including system upgrades driven by technological advancements. This oversight ensures that systems are regularly updated and performance is continuously monitored, supporting the organization's goal of maintaining operational excellence and adaptability.

ERP User Training

All ERP users receive ongoing training to stay informed about system updates and major enhancements. This ensures that users are fully equipped to utilize the ERP system efficiently. Additionally, detailed User Acceptance Testing (UAT) is conducted for all new developments and upgrades to ensure reliability and user satisfaction.

Risk Management Strategies in ERP Projects

The IT department regularly conducts risk assessments and maintains an updated Risk Register that includes ERP-related risks. This register is reviewed by management to evaluate the effectiveness and practicality of implemented mitigation strategies. This proactive approach ensures that potential risks are effectively managed. Furthermore, an annual external audit validates the implementation of controls and the strength of the IT governance structure. The findings and recommendations from the external auditors are formally documented in a management letter, which is shared with both management and the Board of Directors along with a comprehensive action plan.

System Security, Data Access and Segregation of Duties

To ensure system security and protect sensitive information, HUBCO employs a multi-layered strategy. Access to critical data is controlled through Role-Based Access Control (RBAC), Multi-Factor Authentication (MFA) and rigorous authorization protocols. Access rights are reviewed periodically to ensure appropriateness. Additionally, Segregation of Duties (SoD) is enforced to divide key responsibilities among different individuals, minimizing the risk of errors and fraud. Regular system assessments, audits and compliance checks further support security and governance objectives, maintaining system integrity and regulatory compliance.

Strategy & Resource Allocation

Short, Medium and Long-Term Strategic Objectives

Our strategic roadmap is designed to respond to shifting dynamics in the energy sector while unlocking long-term value for our stakeholders and the environment. We have structured our objectives across short, medium and long-term horizons, each supported by targeted strategies and responsible resource allocation.

Medium-Term Objectives

In the medium term, our strategy centers around diversification and responsible growth. We are expanding our EV charging infrastructure nationwide and fast-tracking the delivery of electric vehicles through our partnership with BYD. Simultaneously, we are deepening our commitment to ESG principles and aligning our operations with the UN Sustainable Development Goals (SDGs). We continue to evaluate and pursue profitable opportunities that align with our long-term vision.

Long-Term Objectives

Looking ahead, we are committed to embedding environmentally responsible practices across all areas of our business. A key pillar of our long-term strategy is

to invest in scalable, sustainable ventures that not only ensure business growth but also deliver meaningful environmental and social outcomes. These forward-looking investments are designed to build a resilient portfolio that aligns with evolving global sustainability trends.

Resource Allocation Plans

HUBCO allocates resources across five interconnected capitals. These capitals form the foundation of our value creation model and guide our investment and operational decisions.

Financial Capital:

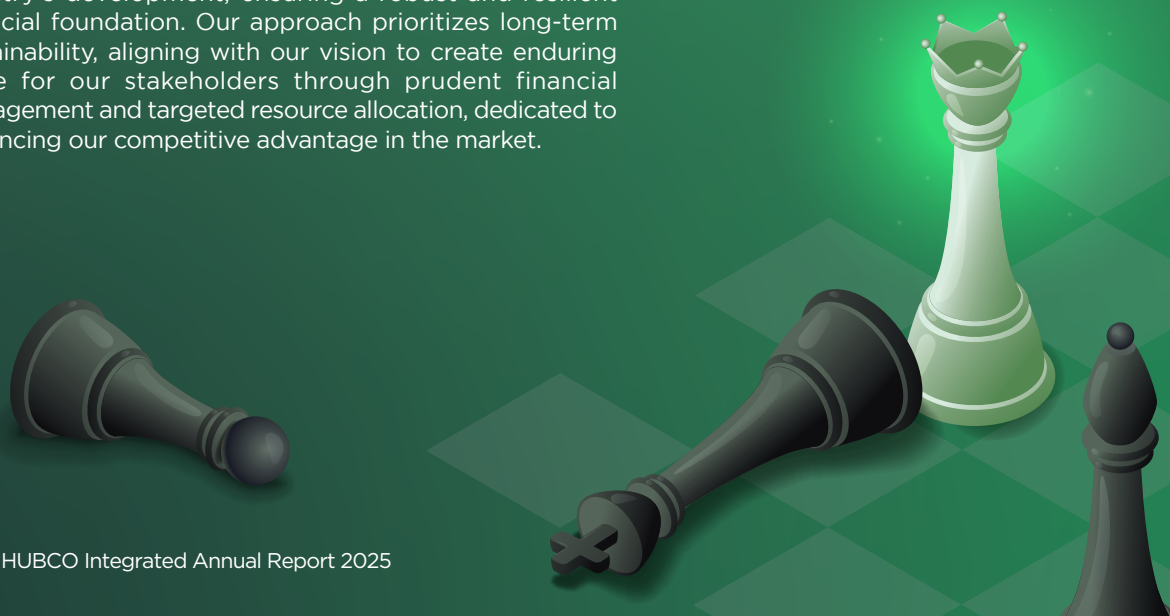
HUBCO's financial allocation strategy is driven by a steadfast commitment to maximizing returns through strategic investments in growth projects and new ventures. By diversifying our portfolio, we aim to foster innovation and contribute to the country's development, ensuring a robust and resilient financial foundation. Our approach prioritizes long-term sustainability, aligning with our vision to create enduring value for our stakeholders through prudent financial management and targeted resource allocation, dedicated to enhancing our competitive advantage in the market.

Short-Term Objectives

Following the closure of our Hub Power Plant and the financial impact associated with it, our immediate focus remains on maximizing returns from our existing portfolio of operational assets. We are prioritizing operational efficiency, cost optimization and capital discipline to stabilize performance and strengthen our cash flows.

To formalize our broader sustainability commitment, we have developed a charter for an ESG policy, which will be presented to the Board and finalized in FY 2025-26. This policy will lay the groundwork for transparent disclosures, enhanced governance, improved ESG performance and long-term stakeholder value creation.

Human Capital: HUBCO firmly prides itself on cultivating a dynamic and supportive work environment. Our merit-based performance reviews ensure that excellence is rewarded, fostering a culture of continuous improvement and high achievement. Comprehensive training programs and professional growth opportunities empower our employees, while our stringent ethical standards and commitment to transparency promote integrity across the organization. Succession planning policies are meticulously designed to ensure leadership continuity, preparing our workforce for future challenges. We are dedicated to maintaining a diverse and inclusive environment, where every employee feels valued and respected. Through active engagement and open communication, employees play a crucial role in shaping our company culture and driving innovation, reinforcing our commitment to excellence and sustainability.



Intellectual Capital: Our governance framework upholds transparency and accountability, fostering a culture of ethical conduct and sound decision-making. The Board has established two Committees, Board Audit & Risk Committee (BA&RC) & Board Nomination Compensation & Sustainability Committee (BNC&SC), to conduct smooth operations of the Board and assist in decision making. Both committees are chaired by independent directors.

Social & Relationship Capital: For a comprehensive overview of our CSR initiatives, please refer to page 118.

Natural Capital: For a comprehensive overview of our ESG metrics, please refer to page 97.

Capabilities, Competitive Advantage and Value Creation

HUBCO's ability to consistently deliver value stems from a combination of operational excellence, a diversified business model and an agile governance framework. Our presence across the energy value chain, from generation to resource extraction and electric mobility, positions us uniquely to create long-term, sustainable value for shareholders and stakeholders alike.

External Influences on Strategy and Resource Allocation

Technological Changes

Rapid technological advancements continue to influence operational models across the energy and other businesses. HUBCO remains responsive to these shifts by assessing relevant tools, systems and processes that can enhance efficiency, improve safety and support data-driven decision-making.

ESG Reporting and Challenges

HUBCO is committed to enhancing transparency through regular ESG reporting aligned with global frameworks. We continue to strengthen internal systems and stakeholder engagement to overcome these hurdles and advance our sustainability agenda.

Innovation and Sustainability Initiatives

We continue to foster a culture of innovation by encouraging cross-functional collaboration, supporting research-based initiatives and exploring emerging technologies that enhance efficiency and resilience. Our sustainability efforts remain focused on reducing environmental impact, optimizing resource usage and integrating responsible practices across our operations.

Resource Shortages

No critical resource shortages were encountered during the year. However, we remain vigilant and have implemented proactive measures to address potential risks related to supply chain disruptions, talent availability and access to essential inputs that may arise in the future.

Conclusion:

HUBCO's strategic vision is supported by integrated resource planning, operational capability and stakeholder alignment. Through this cohesive approach, we are building a future-ready organization that generates resilient, responsible and inclusive value

Key Risks & Opportunities





Key Risks and Opportunities

The Hub Power Company Limited (HUBCO) is dedicated to maintaining high standards of risk management to safeguard the interests of its stakeholders. Our Enterprise Risk Management (ERM) framework is a cornerstone of our corporate governance, designed to identify, assess and mitigate risks across all levels of the organization. This framework supports our strategic objectives, operational efficiency, and compliance with regulatory requirements.

HUBCO's strategic focus has shifted following the closure of the Hub Plant. The Company's primary source of income will now be dividend income and returns from its investments in subsidiaries and associates, particularly in the energy and infrastructure sectors. As such, key risks are now centered around investment performance, governance and macroeconomic factors.

Principal Risks and Uncertainties

HUBCO faces a variety of risks that can potentially impact our ability to achieve business objectives and maintain operational stability.

For details, please refer to page 95 of the report.

Governance plans and strategies to address risks and uncertainties

HUBCO addresses its principal risks and uncertainties through a robust governance framework, comprehensive risk management strategies and stringent internal control policies, ensuring operational stability, financial integrity and compliance with regulatory requirements.

Corporate Governance

Board Oversight:

The Board of Directors, along with the Audit & Risk Committee, provides strategic oversight. These bodies ensure that risk management practices align with corporate objectives and regulatory standards

Ethical Conduct:

Upholding high ethical standards through a well-enforced Code of Conduct, the company ensures all employees are aware of and adhere to these standards, fostering a culture of integrity and accountability.

Risk Governance

HUBCO's risk governance ensures robust oversight and proactive risk management. The specific duties and accountabilities within our risk management program are detailed in our established risk management framework and governance policies.

Internal Control Policies

HUBCO's internal control policies are designed to ensure operational efficiency, reliable financial reporting, and compliance with laws and regulations. Key components include a strong control environment, defined roles and responsibilities, robust control activities such as preventive maintenance and financial controls, effective communication channels and continuous monitoring through internal and external audits. These measures collectively ensure the integrity and effectiveness of our operations.

Control Activities

Management plays a crucial role in assessing potential risks and implementing comprehensive controls and strategies to mitigate the risks to an acceptable level.

Risk Management Framework

Our ERM framework is a comprehensive approach to managing risks that includes a structured process for identifying, assessing, and mitigating risks. This framework is integral to our corporate governance and is embedded in our strategic planning, operational processes and decision-making activities. The ERM framework ensures that risks are managed proactively and consistently across the organization.



Risk Identification and Assessment

At HUBCO, risk identification and assessment are continuous processes. We utilize various tools and techniques to identify potential risks, including risk registers, risk assessments and scenario analyses. These tools help us to systematically identify risks that could impact our business objectives. Once identified, risks are assessed based on their potential impact and likelihood of occurrence. This assessment allows us to prioritize risks and allocate resources effectively to manage them.



Risk Appetite

HUBCO's risk appetite defines the level of risk we are willing to accept in pursuit of our strategic objectives. Our risk appetite is determined by the Board of Directors and is aligned with our overall strategy, business model and stakeholder expectations. We aim to balance risk and reward, ensuring that we take measured risks that are aligned with our growth objectives while maintaining robust controls to mitigate adverse outcomes.



Risk Mitigation

Our risk mitigation strategies are designed to reduce the likelihood and impact of identified risks. These strategies include implementing robust internal controls, adopting best practices and ensuring compliance with regulatory requirements. We also invest in training and development programs to enhance the risk management capabilities of our employees. Regular monitoring and reporting of risk management activities ensure that our mitigation strategies are effective and that emerging risks are promptly addressed.



Internal Control System

HUBCO's internal control system plays a crucial role in our risk management framework. The system is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Key features of our internal control system include:

- Control environment
- Control procedures
- Corporate planning
- Performance monitoring
- Performance review
- Investment projects
- Corporate reporting
- Risk identification and management
- Monitoring

The Board of Directors, through the Audit & Risk Committee, regularly reviews the effectiveness of the internal control system. This review process includes receiving reports from management, Internal Audit and external auditors on the adequacy and effectiveness of internal controls and risk management arrangements.



Risk Reporting

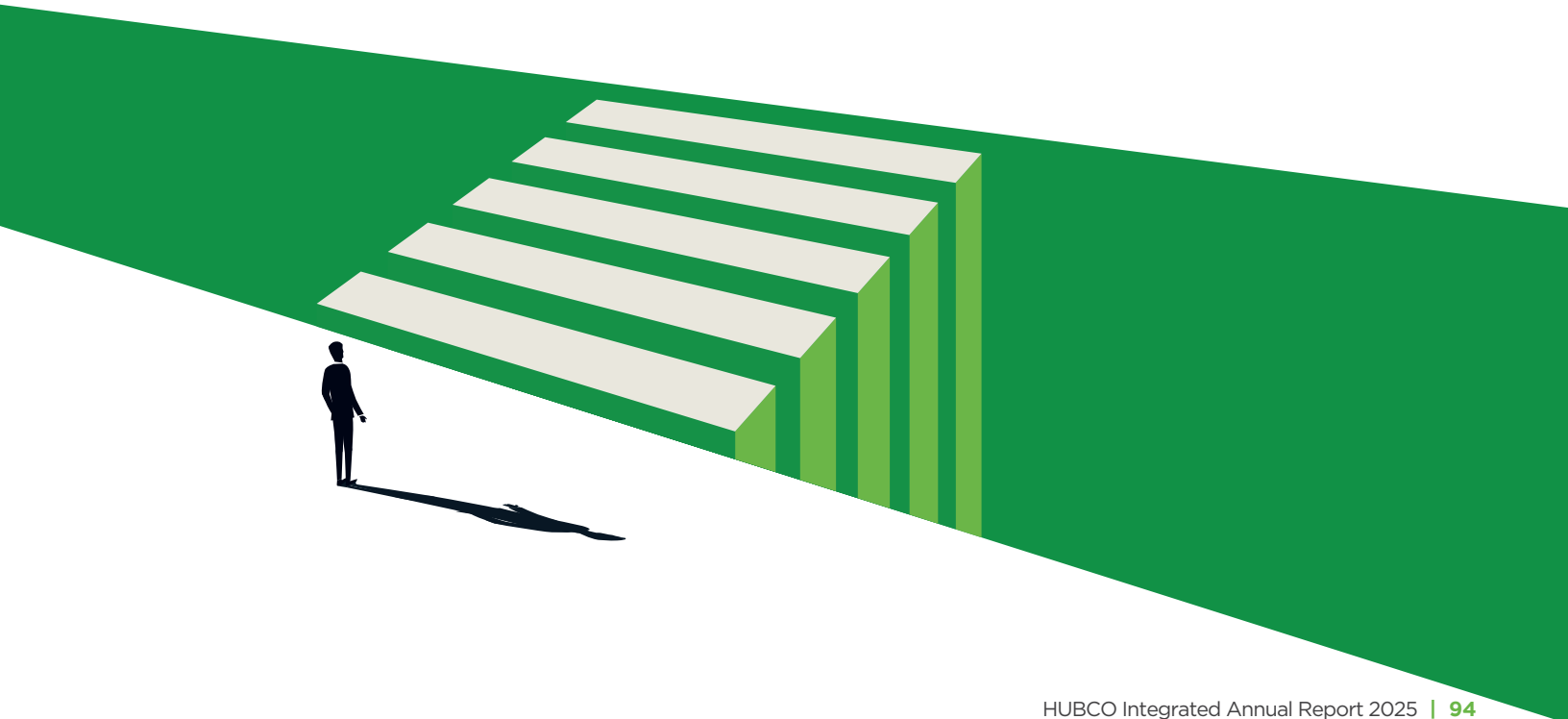
Effective monitoring and reporting are critical components of our risk management framework. We have established a robust monitoring mechanism that includes regular performance and financial reporting, internal audits and external audits. These reports provide valuable insights into the effectiveness of our risk management strategies and help us to identify and address any weaknesses in our controls.

The Audit & Risk Committee plays a vital role in overseeing the risk management process. It ensures that the necessary actions are taken to address any significant failings or weaknesses identified in the risk management and internal control systems. The Committee also ensures that there is continuous improvement in our risk management practices.



Conclusion

HUBCO's commitment to robust risk management practices is fundamental to our success. Our ERM framework ensures that risks are managed proactively and effectively, enabling us to achieve our strategic objectives while safeguarding the interests of our stakeholders. We remain dedicated to maintaining high standards of risk management and continuously improving our practices to address the evolving risk landscape.



Risk And Opportunity Report

The Hub Power Company Limited (HUBCO) is committed to identifying and managing risks and opportunities that impact the availability, quality, and affordability of our capitals. These capitals include financial, manufactured, intellectual, human, social, and natural resources. Our strategic objectives, strategies, plans, policies, targets and KPIs are designed to mitigate risks and leverage opportunities to create sustainable value for our stakeholders.



Key Risks

Strategic Risks	Impact	Mitigation Steps
Circular Debt / Mounting Receivables from Power Purchaser in subsidiaries and associates	Inability to make timely payments to suppliers and lenders / reduction in dividend receipts from investments in the IPPs.	The build up of circular debt has almost stopped and all HUBCO investments in IPPs have been receiving regular payments by and large.
Disruption in Fuel Supply	Inability to maintain plant operations.	Continuous liaison and coordination with fuel suppliers for the timely and smooth delivery of fuel. Arranging working capital lines at competitive and cost-effective rates to ensure payments to fuel suppliers.
Operational Risks	Impact	Mitigation Steps
Plant Maintenance and Readiness	Ensuring the plants are maintained and ready for operation upon government request can lead to significant operational and maintenance costs. Extended downtime may also lead to degradation of equipment..	Implementing robust maintenance programs to ensure that all equipment is kept in optimal condition and ready for operation. Investing in preventive maintenance and periodic inspections to avoid equipment degradation. Maintaining a high readiness level with trained staff and necessary resources to ensure the plant can be operational at short notice.
Natural Calamities or Disasters	Disruption of maintenance activities and potential damage to equipment, resulting in extended downtime	Robust Emergency Response plan is in place to deal with any disruption/calamity at the Plants. For any disruption at Head Office, the Business Continuity and Disaster Recovery Plan are in place and tested periodically. Maintenance of a disaster recovery site in Karachi to ensure smooth operational activities during disasters. All risks insurance policies are taken for all projects, which cover most natural calamities or disasters, including business interruption and hence, the maximum financial exposure is limited to the deductibles.
Employee Retention and Development	Attrition of trained and potential resources could affect the plant's operations	Conducting regular employee engagement surveys and reviewing employee development policies to retain talent. Providing ongoing training and development programs to ensure staff remain skilled and ready for operational demands. Rotating employees to other plants within the group to keep them engaged and retain their expertise.

Compliance Risks	Impact	Mitigation Steps
Regulatory Changes	Changes in laws, regulations and policies can affect our operations, financial performance and strategic initiatives.	Keeping abreast of regulatory changes and maintaining close liaison with external auditors and legal advisors to ensure compliance.



Key Opportunities

Opportunities	Opportunity	Strategic Steps
Technological Innovation	Advancements in technology offer opportunities to enhance operational efficiency and reduce costs.	The Company has stepped into EV space through technical collaboration with world's reputed EV Company, BYD. The Company is also investing in digital transformation and adopting advanced analytics to improve operational performance.
Human Capital Development	Developing a skilled and motivated workforce is crucial for achieving our strategic objectives	Investing in employee training and development programs, foster a culture of continuous improvement, and implement talent management initiatives to attract and retain top talent.
Strategic Partnerships	Forming strategic partnerships can help us access new markets, technologies and resources.	Pursuing collaborations with industry leaders, research institutions and technology providers to enhance our capabilities and expand our market reach.
Community Engagement	Building strong relationships with local communities can enhance our social license to operate and create shared value.	Further strengthening engagement with community stakeholders, investing in social development programs, promoting local employment and procurement to support community development.

Conclusion

HUBCO's proactive approach to identifying and managing risks and leveraging opportunities ensures the sustainable availability, quality and affordability of our capitals. By implementing strategic objectives, strategies, plans, policies, targets and KPIs, we aim to create long-term value for our stakeholders and achieve our business goals.





DRIVEN TO CREATE LASTING IMPACT

Our commitment to Environmental, Social and Governance (ESG) principles is deeply embedded in our operations. We drive change by uplifting communities, protecting natural ecosystems and upholding the highest standards of governance. Through every initiative, we create impact that leaves a legacy.

ESG

HUBCO provides sustainability data in line with multiple reporting frameworks, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) Standards for the Energy Production sector, International Financial Reporting Standards (IFRS) S1 and S2, and the disclosure requirements of the Securities and Exchange Commission of Pakistan (SECP). The company aligns its sustainability efforts with relevant United Nations Sustainable Development Goals (SDGs). The ESG information presented, unless otherwise indicated, has not been subject to independent external assurance.

Highlights

We take a holistic approach to evaluating our risks. Since HUBCO's inception, more than 274,330 trees, including 141,000 mangroves, have been planted.

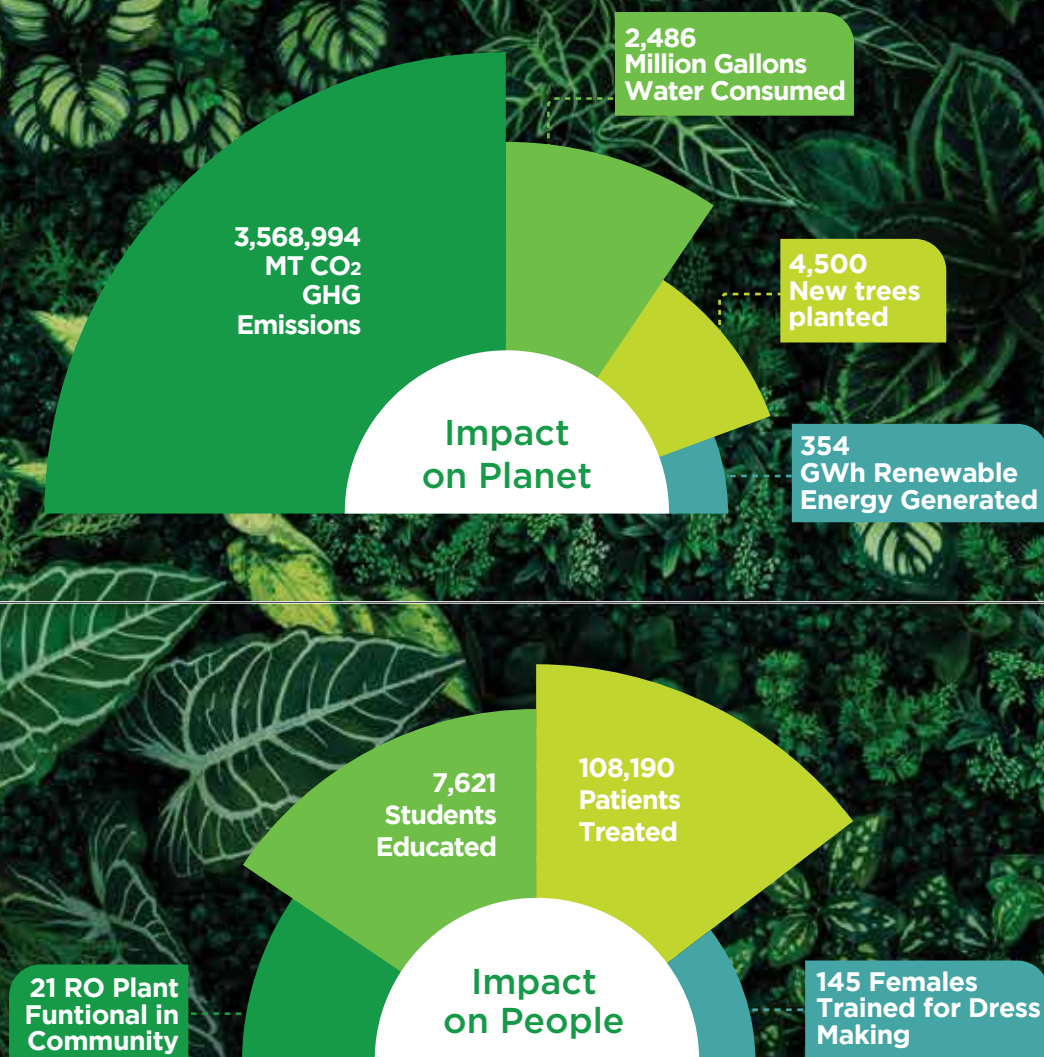


Figure 4. Sustainability highlights 2024-25

The organizational boundary for the Sustainability Strategy covers HUBCO's power generation subsidiaries and head office facilities:

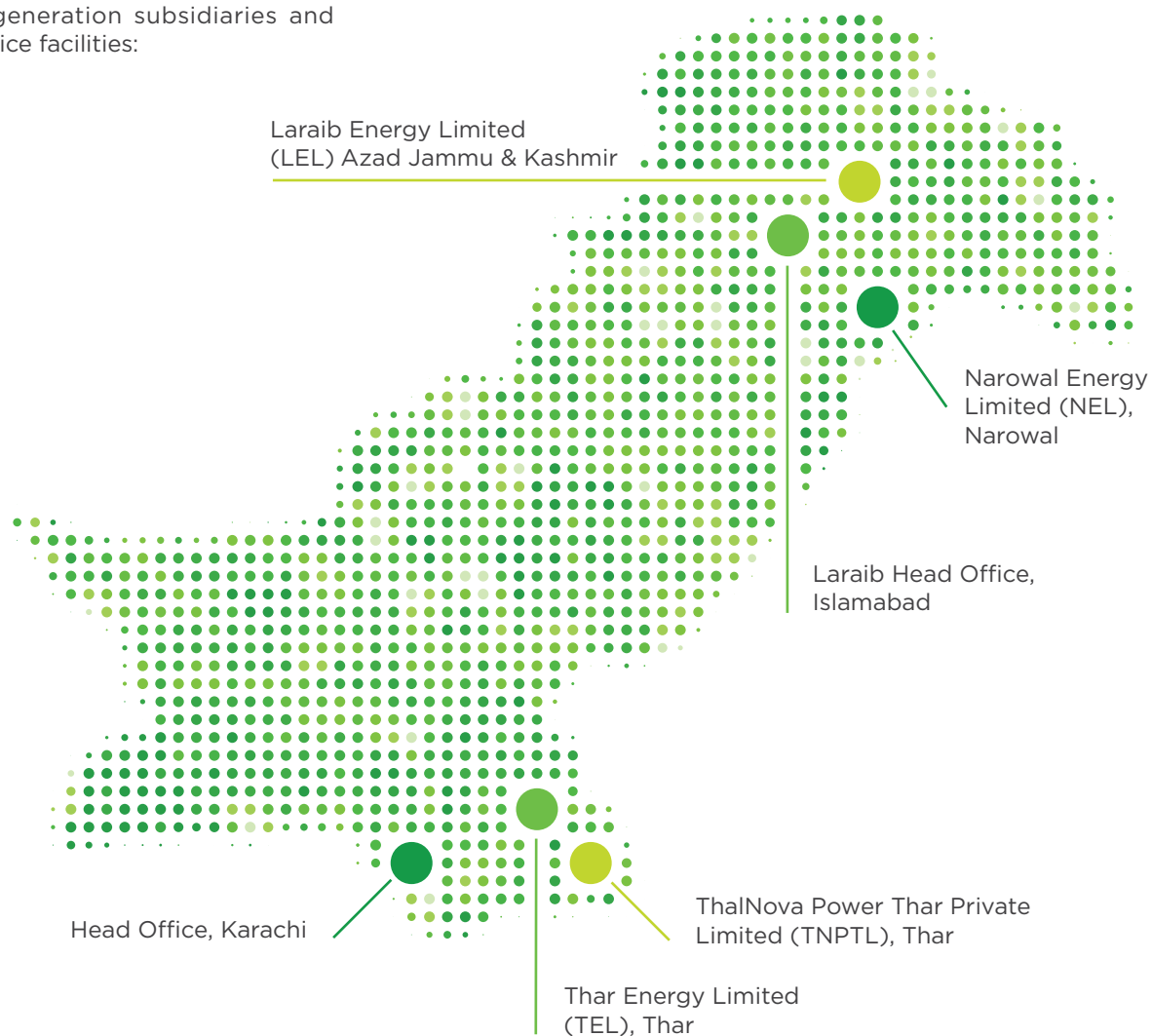


Figure 5. Organizational boundary

Type	Location
Head Office	Karachi
Laraib Head Office	Islamabad
Thar Energy Limited (TEL)	Thar
ThalNova Power Thar Private Limited (TNPTL)	Thar
Narowal Energy Limited (NEL)	Narowal
Laraib Energy Limited (LEL)	Azad Jammu & Kashmir
Hub Power Services Limited (HPSL)	Karachi, AJK, Narowal & Thar

Table 1. Organizational boundary

Leadership Commitment to Sustainability

HUBCO upholds the highest standards of transparency and accountability. With a robust system of checks and balances, we ensure ethical practices and effective oversight across all levels. This commitment to strong governance reinforces our dedication to responsible leadership and sustainable growth.

To operationalize this commitment, we have established a dedicated sustainability governance structure that integrates environmental, social, and governance (ESG) priorities across all departments. This framework ensures that sustainability is not treated as a standalone function, but is embedded within HUBCO's broader strategic objectives: driving long-term value creation and aligning with our mission to power progress responsibly. In addition to the BNC&SC, the Corporate HSE Committee, Sustainable Growth Committee (SGC), and Diversity, Equity, and Inclusion (DEI) Committee look after ESG initiatives at HUBCO.

Corporate HSE Committee

The Corporate HSE Committee is the highest management level forum overseeing Health, Safety, and Environmental (HSE) matters, including sustainability initiatives. Chaired by the HUBCO CEO, the committee includes senior executives such as the CEO of TEL & TN, VP Operations, CFO, GM HR and all Plant Managers. The Head of Corporate HSE & CSR serves as the secretary. The committee meets quarterly to review HSE and sustainability performance. The committee's major responsibilities include:

- Initiate, validate, sponsor & support corporate HSE & ESG objectives
- Review HSE and Sustainability issues, including those which may give rise to strategic, business and reputational implications
- Ensure objectives cascade from top to the lowest level effectively
- Monitor compliance with HSE policies and sustainability initiatives
- Review rewards, recognition and accountability on HSE & Sustainability
- Review major shortcomings to ensure effective measures are devised
- The Committee members would formally conduct "Management Safety and ESG Audits" at the plant level annually

Sustainable Growth Committee

The Sustainable Growth Committee (SGC) has been established to oversee and drive HUBCO's Environmental, Social, and Governance (ESG) initiatives. The committee is chaired by GM Legal with membership of all Plant Managers, site HSE Managers, Corporate Communications & PR, Finance, HR, Commercial, Legal, and Internal Audit. The Head of Corporate HSE & CSR is the secretary of the committee. The committee is functional with the following responsibilities:

- Foster a culture of sustainability and ethical conduct throughout the organization.
- Oversee the development and execution of the ESG strategy and roadmap.
- Ensure alignment of ESG initiatives with the organization's overall goals and compliance requirements.
- Collect, verify, and analyze ESG data from various departments and maintain accurate and up-to-date records of ESG-related activities and metrics.
- Oversee the activities of Plant ESG Committees.
- Prepare quarterly reports to the Corporate HSE Committee, highlighting progress and challenges in the ESG journey.
- Convene every two months or earlier if required.



Plant Level ESG Committees

Our coal, hydropower and RFO plants each have their own ESG Committees that ensure on-ground oversight for ESG initiatives:

- The primary role is to steward all ESG programs and report periodic compliance to the sub-ESG committee
- Plan & steward ESG awareness & monitoring programs
- Report non-compliance to the sub-ESG committee for prompt redressal
- Implement action plan, own all campaigns, and assign responsibility & accountability
- Share the best initiatives to the sub-ESG committee for acknowledgment
- Seek outsourced assistance when needed



Figure 6. ESG Governance Structure

ESG Policy

HUBCO is committed to embedding Environmental, Social, and Governance (ESG) principles across its operations to ensure sustainable, responsible growth. HUBCO has started the process of developing a comprehensive ESG Policy that reflects HUBCO's dedication to aligning its business practices with international standards and the United Nations Sustainable Development Goals (SDGs), emphasizing climate action, clean energy, gender equality, and community well-being. The policy will apply to all employees, contractors, suppliers and partners, with oversight provided by the Board and ESG Steering Committees (Corporate HSE Committee, Sustainable Growth Committee, and DEI Committee) to ensure effective implementation and compliance.

Environmental stewardship will remain a core focus area, with HUBCO actively working to minimize its carbon footprint by monitoring greenhouse gas emissions and identifying and working on areas of improvement. The company will continue to promote efficient resource management and biodiversity protection while complying with relevant environmental laws and continuously improving its environmental performance. These efforts will aim to safeguard ecosystems and promote transparency on environmental impacts.

Social responsibility will continue to underpin HUBCO's commitment to a safe, inclusive and equitable workplace. The company prioritizes employee health and safety, diversity, equity and inclusion initiatives, including programs to increase representation of underrepresented groups in the energy sector. Additionally, HUBCO fosters strong community engagement, addressing local needs through social investments, transparent communication and grievance mechanisms, while ensuring reliable, affordable energy delivery and ethical supply chain practices.

Governance at HUBCO emphasizes ethical conduct, transparency and accountability, with rigorous compliance to anti-corruption and risk management standards. ESG considerations will be integrated into board-level strategies and risk frameworks, supporting a culture of integrity and stakeholder trust. The policy will mandate regular ESG performance disclosure and an annual review to align with evolving regulations and best practices, reinforcing HUBCO's leadership in sustainable power generation in Pakistan.

ESG Materiality

To effectively manage environmental risks and unlock strategic opportunities, HUBCO conducted a materiality assessment to identify ESG issues that were significant to its stakeholders and likely to have a significant impact on the business. By determining material topics for the business, HUBCO is better equipped to adapt to evolving local and international sustainability regulations, thereby improving its transparency and enhancing its reputation as a responsible corporate entity. The GRI and SASB guidelines were consulted for insight on issues relevant to the power generation sector, which were cross-referenced with material topics currently tracked by local and international sectoral players. Relevant stakeholders were asked to rank 24 material topics on their importance to their respective stakeholder category through a formalized stakeholder engagement survey. The results were shared with HUBCO's new business ventures and strategy teams to prioritise ten topics based on their impact on the business in the future, in accordance with the ISSB's criteria for the expected future state for quantitative assessment of material topics. The teams adopted a forward-looking perspective, considering access to financial capital, and power plants' power purchase agreements amongst factors influencing the business' overall strategic direction in the short-term. After consolidating the responses from the survey, the topics were ranked in order of importance on a scale from 1 to 5 (5 being the highest importance).

The survey assessed 24 ESG topics across environmental, social, and governance dimensions. These insights will guide HUBCO's sustainability strategy and long-term value creation.



Climate Change

Climate change poses a critical challenge to the power generation sector, which remains one of the largest contributors to global greenhouse gas emissions. As energy demand rises, particularly in developing economies, so does the urgency to decarbonize electricity generation while ensuring reliability and affordability.

Material Issues covered:

1. Climate Change Mitigation:

Climate change mitigation involves actively reducing greenhouse gas (GHG) emissions to limit global warming and ensure long-term environmental and economic sustainability. HUBCO understands that while fossil fuel combustion directly contributes to climate change due to carbon emissions, indigenous sources for baseload power are necessary to generate affordable electricity and lower dependence on imported fuel. In line with our commitment to environmental stewardship, HUBCO developed its baseline GHG inventory to determine the company's carbon footprint. As this was HUBCO's first year of reporting, we have published our absolute Scope 1 and 2 emissions in accordance with the GHG Protocol. The inventory covering our Head Offices, as well as TNPTL, TEL, NEL, and LEL plants from July 2024 to June 2025 is as follows with emissions intensity of 872 gCO₂e/kWh. The emission factor for coal which is derived from Lower Heating Value and carbon content for current reporting year, will be actualized annually based on the average property for coal consumed, as per IPCC Guidelines.

Absolute GHG Emissions 2024-25	MTCO ₂
Scope 1	3,566,076
Scope 2	2,918
Total Emissions	3,568,994

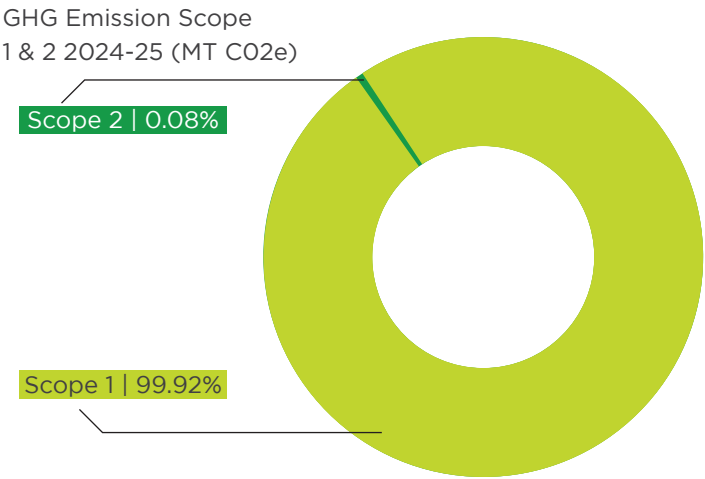


Figure 7. GHG Emission Scope

2. Energy

HUBCO uses coal, RFO, and hydropower to generate electricity and operates multiple plants with distinct generation profiles. The company is committed to enhancing energy efficiency and reducing the environmental impact of its operations. HUBCO regularly assesses energy performance across its plants with specific efficiency improvement targets.

Coal	RFO	Hydel	Total
3,691 GWh	39 GWh	354 GWh	4,086 GWh
90.33%	0.95%	8.66%	99.95%

Table 2. HUBCO’s energy mix

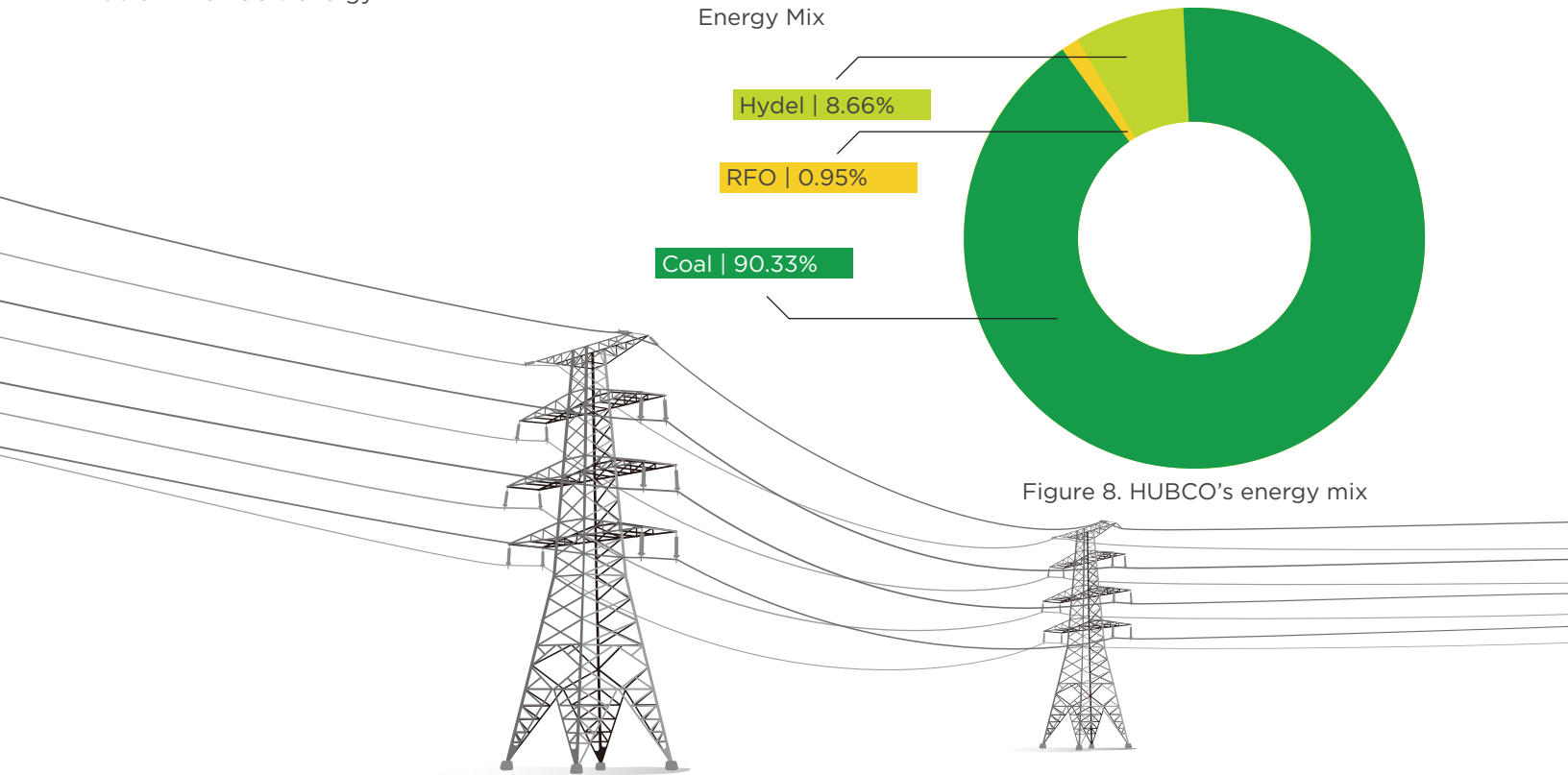


Figure 8. HUBCO’s energy mix

Metrics	Units	TEL	TNPTL	Headoffice	NEL	Laraib	Cumulative
Total Electricity Generated (Base Fuel)	GWh	1,745	1,946	0	39	356	4,086
Total Electricity Generated (by generators)	GWh	1.66	1.79	0	0	0	3.45
Electricity Dispatched	GWh	1,594	1,768	0	38	354	3,754
Electricity Import	GWh	3.94	2.80	0.07	1.15	0.31	8.27

Table 3. Energy metrics

Electricity is generated through both base fuels and renewable sources. HUBCO also utilizes diesel generators at selected facilities and imports electricity to supplement operational needs. Total electricity dispatched stood at 3,754 GWh. The company actively conducts energy audits and performance reviews to optimize energy utilization. Although the current contribution of renewable energy is significant in specific areas, HUBCO remains focused on expanding clean energy adoption across all operations to support a more sustainable energy mix.

As part of our WWF Green Office commitments to improving energy efficiency and reducing overall energy consumption, we have implemented several targeted measures at LEL Head office, NBE plant site and the HUBCO head office:

- **Lighting Retrofit:** We replaced 400W conventional Tango lights with energy-efficient 100W LED lights. This has led to a monthly energy saving of approximately 2,880 kWh.
- **Office Lighting Upgrade:** Conventional fluorescent tube rods in the office sitting area were replaced with long-lasting and energy-efficient LED lights. The previous setup consumed 6,049 units per month, whereas the new LED system consumes only 1,329 units, resulting in a monthly energy saving of 4,720 units.

- **Motion Sensor Lighting:** In the powerhouse, a significant number of LED lights have been replaced with motion sensor lights to further reduce unnecessary energy usage. This change has reduced daily consumption from 216 units to 86 units, equating to a daily saving of 129.6 units and a **monthly saving of approximately 3,888 units.**

These initiatives reflect our ongoing efforts to reduce the energy requirements of our operations through the adoption of efficient technologies and practices. We continue to identify and implement solutions that support our broader sustainability and environmental objectives.

No energy is consumed outside the organization.

3. Air Quality

HUBCO implements comprehensive air emissions monitoring across its power generation facilities to ensure compliance with environmental regulations and to minimize impacts on air quality. Emissions of key pollutants such as NOx, SOx, and PM are tracked based on each plant's operational and technological setup.

Gases (mg/Nm3)- Average	LEL	NEL	TEL	TNPTL
Nitrogen Oxides (NO _x)	-	330	119	146
Sulfur Oxides (SO _x)	-	955	259	230
Particulate Matter	-	156	40.6	40.1

Table 4. Emissions of key pollutants

TEL and TNPTL are both equipped with Continuous Emission Monitoring Systems (CEMS), which provide real-time tracking of pollutants including NO_x, SO_x, CO, CO₂ and PM. These systems enable continuous compliance monitoring and allow for timely operational adjustments when needed. Moreover, EPA engages an independent Environment Monitoring Consultant (IEMC) to monitor air quality and water waste disposal from time to time. Monitoring reports are submitted to EPA on a quarterly basis. Emissions reflect the steady operation of coal-based power generation at these sites.

Emissions from NEL were relatively low during the reporting period due to a three-quarters operational shutdown resulting from reduced demand. The plant conducts quarterly emissions monitoring to ensure compliance when operational.

LEL, a hydropower facility, does not generate routine air emissions. The site has a standby diesel generator and a diesel-driven firefighting pump, which are only used in case of emergencies. These units are tested periodically, and third-party testing is conducted every six months to monitor NO_x and SO_x levels. No continuous emissions are associated with regular operations at this site.

HUBCO remains committed to reducing air emissions across its operations through real-time monitoring, third-party verification, and the adoption of cleaner technologies.

3. Water Management

Water management is a critical environmental priority, especially in the power generation sector, where water is essential for cooling, steam production, and hydropower operations. Increasing climate variability, such as droughts, floods, and glacial melt, threatens the consistent availability of water. This impacts both operational stability and the surrounding communities. Recognizing this, we are taking steps to conserve water, reduce water consumption, improve recycling and treatment processes at our coal and RFO plants, and ensure responsible water stewardship at our hydropower sites. We aim to minimize our water footprint through efficiency upgrades and monitoring systems.

At NEL, all water requirements are fulfilled with well water, which is used for steam generation, consumption in housing, and cooling purposes. The well water is treated and stored in the main water tank, from where it is used wherever required. The TEL and TNPTL plants have contracts with the Sindh Government and rely on water for steam generation, cooling, and other plant process requirements. Water is pumped from the Vajihar Pumping Station and brine water is discharged to the evaporation pond for settling and evaporation. LEL has a water usage agreement with the AJK government and relies on water released from the Mangla reservoir and does not change the existing water regime of the area. The surplus water that is currently released through the LEL plant back to the Jhelum River is utilized for the generation of electricity through the powerhouse. Where as water extracted through pumping for HVAC cooling and other purpose, returned to Jhelum River. No non-compliance incidents related to water quality regulations were reported.

Metrics	Units	TEL	TNPTL	NEL	Laraib	Cumulative
Water Received	Gallons	1,103,639,911	1,214,983,613	11,383,483	156,099,784	2,486,106,791
Water Treated	Gallons	380,442,155	418,867,984	3,815,372	57,325,505	860,451,016
Brine water Disposal	Gallons	54,072,907	59,553,501	17,850	0	113,644,258
Water Consumption in Colonies (Source Plant)	Gallons	15,457,903	16,976,289	6,445	81,600	32,522,237
Water Treated Through Sewage Treatment Plant	Gallons	27,366,763	30,123,773	164,829	87,120	57,742,485

Table 5. Water metrics

4. Waste Management

Responsible waste management is essential for minimizing our environmental footprint and safeguarding the health of communities around our operations. Power generation produces solid and hazardous waste, including ash and sludge.

HUBCO has established waste management protocols that include at source segregation, temporary storage, and engagement with certified waste disposal vendors. The administration department oversees the general/non hazardous waste management & disposal while the HSE section oversees the hazardous waste disposal process, ensuring compliance with environmental regulations. Disposal certificates are obtained from vendors upon waste collection and disposal.



Hazardous Waste

- Ash and sludge (dumped)
- Used jerry cans (contaminated with hazardous substances)
- Used drums (contaminated with hazardous substances)

These materials are classified as hazardous due to their chemical content, potential environmental impact, and regulatory classification.

Non-Hazardous Waste

- Metal scraps
- Glass and ceramic scraps (including thermal insulation and insulator scraps)
- Waste oil
- Waste plastic
- Food waste and plate leftovers
- General waste
- Organic waste

These waste streams are considered non-hazardous and are typically managed through recycling, reuse, or disposal via authorized waste handlers, in line with EPA regulatory requirements and HUBCO's sustainability practices.

Metric	Waste Generated (Tons)
Hazardous Waste	435,819
Non-Hazardous Waste	138
Total	435,818

Table 6. Hazardous and non hazardous waste

Materials

HUBCO relies on a mix of non-renewable and renewable materials to support its energy generation operations. Material consumption is tracked across all power plants to monitor efficiency, support responsible resource use, and inform environmental management strategies. In addition, sites at Thar use 100% recycled bed material in their CFB Boiler produced from Coal and Limestone.

Material	Units	TEL	TNPTL	NEL	Laraib	Cumulative
Non-renewable						
Coal	Tons	1,353,058	1,503,020	0	0	2,856,078
RFO	Tons	0	0	7,788	0	7,788
Limestone	Tons	85,586	111,146	1	0	196,733
Renewable						
Water	Gallons	1,103,639,911	1,214,983,613	11,383,483	156,099,784	2,486,106,791

Table 7. Renewable and non renewable materials

Non-Renewable Materials

In FY 2024-25, coal was the primary fuel used at TEL and TNPTL, with cumulative consumption totalling over 2.95 million tons. Residual Furnace Oil (RFO) was consumed only at NEL, amounting to 7,788 Tons. Limestone is used at TEL and TNPTL as part of flue gas desulfurization processes to control sulfur emissions. Total limestone usage during the reporting period was approximately 196,733 tons.

Renewable Materials

Water is the key renewable material consumed across HUBCO's operations, primarily for steam generation, cooling and process needs. Water consumption was highest at TEL and TNPTL, consistent with the scale of their operations. Total water use across all sites exceeded 2.4 billion gallons.

HUBCO continues to improve material efficiency through operational optimization and environmental controls. Water management practices and coal usage efficiency are regularly reviewed to reduce waste, enhance performance, and align with sustainability goals.

Suppliers Assessed for Environmental Impacts

During the reporting period, TEL & TNPTL assessed one key supplier for environmental impacts. This supplier, responsible for coal provision, was evaluated through an Environmental and Social Impact Assessment (ESIA) conducted prior to the start of plant operations. The assessment identified several potential environmental risks associated with coal mining and transportation activities, including dust emissions, land disturbance, and impacts on local biodiversity.

Sustainable Procurement

In 2024-25, HUBCO's TEL and TN plants sourced 10%-15% of its goods locally. LEL sourced 9% while NEL sourced approximately 14% of its goods locally. The firm has not yet assessed its suppliers for potential negative social impacts, however, it plans to undertake this assessment in the near future to strengthen its supply chain due diligence.

Biodiversity

HUBCO recognizes the potential impacts of power generation infrastructure on local ecosystems and wildlife. Biodiversity preservation is a priority across all operational sites, with tailored conservation and mitigation measures implemented based on each plant's environmental context. HUBCO conducts environmental and social impact assessments, engages in habitat restoration, and regularly monitors site-specific biodiversity to ensure ecological integrity and community goodwill.

Thar Energy Limited (TEL) and ThalNova Power Thar Private Limited (TNPTL)

The TEL and TNPTL site is located outside any designated protected area and spans a 28-hectare plot within a naturally vegetated desert ecosystem. The closest protected area is the Rann of Kutch Wildlife Sanctuary, approximately 32 kilometers away. This sanctuary, which includes a Ramsar wetland of international importance, supports rich biodiversity. In contrast, the TEL and TNPTL site is less diverse and not considered ecologically sensitive.

Key findings from the Environmental and Social Impact Assessment (ESIA) include:

- No IUCN Red List or nationally protected plant species are present on-site.
- Mammals identified in the region are not site-specific and are not threatened at a global level.
- A few endemic reptile species may exist, but none are unique to the site.
- Regional avian species of conservation concern, such as vultures and the Laggar Falcon, have been observed in the wider landscape but not within the project footprint.

The ESIA concluded that TEL and TNPTL operations do not pose a significant risk to conservation-dependent species.

Laraib Energy Limited (LEL)

LEL operates a run-of-the-river hydropower facility near the Jhelum River, approximately 7.5 kilometers downstream of Mangla Dam. The plant occupies a 4.43 km² site and returns water back to the river, resulting in no significant impact on terrestrial, freshwater, or marine ecosystems.

As a UNFCCC Clean Development Mechanism (CDM)-registered project, LEL adheres to stringent environmental standards. During its Initial Environmental Examination (IEE), 14,000 trees were planted along the flood protection dyke in 2012 before COD. 30,000 plants were planted inside the premises of the plant in 2012 before COD.

22,000 plants have been planted since COD inside and outside premises of plant, colony, flood protection dyke and tail race enhancing regional biodiversity and contributing to ecosystem restoration.

Narowal Energy Limited (NEL)

NEL has had no direct or indirect significant impact on local biodiversity since the commencement of operations. The surrounding environment has benefited from extensive tree plantation efforts, with 63,000+ trees planted within and around the facility. This initiative has contributed to habitat creation and has significantly enhanced local biodiversity.

5. Land Use

HUBCO's operations require substantial land for plant infrastructure, reservoirs, and transmission corridors. Responsible land use is critical to minimizing both environmental and social impacts. We prioritize land-use planning that avoids ecologically sensitive areas, integrates rehabilitation of disturbed land, and considers the needs of local communities.

During the construction phase, 135 trees were removed from the project site. In line with internal standard operating procedures, TEL and TNPTL implemented a 10:1 compensatory plantation policy, resulting in the planting of 1,402 native trees within the plant boundary. This ratio reflects industry best practice and demonstrates a strong commitment to local flora conservation. All trees planted during this phase are systematically monitored to ensure healthy growth and long-term survival. In the operational phase, a comprehensive plantation program is underway to restore natural habitats and improve the site's ecological and visual character. In the first phase, TEL and TNPTL have initiated the planting of 3,770 native trees and 1,711 local shrubs along the site perimeter and within the plant premises. A third-party contractor has been engaged for implementation and monitoring, ensuring professional oversight and performance tracking.

Future phases of the program will extend beyond the plant boundary, including the development of green parks featuring native vegetation to enhance biodiversity and ecological resilience in the surrounding areas.

The construction-phase plantation has been completed and continues to be maintained, while the operational-phase plantation is actively in progress. Early observations indicate healthy plant development and site stabilization, reflecting the success of HUBCO's proactive land rehabilitation strategy.

6. Health and Safety

HUBCO applies robust management systems to high-hazard processes, ensuring hazards are identified, understood, and controlled. Our Process Safety Management (PSM) framework balances culture-based elements (leadership commitment, training, employee engagement etc.) with risk-based elements (Process hazard analysis, mechanical integrity, emergency response etc.) to mitigate risks effectively. We take a proactive, forward-looking approach that aligns with sustainable development goals and embeds a strong culture of safety throughout our operations.

We reinforce this approach through ongoing training, awareness campaigns, safety recognition, and leadership involvement. Additionally, all contractors strictly adhere to HUBCO's Contractor's Code of Conduct, extending our safety culture beyond internal operations. Safety Week 2024 was also featured as a key highlight, reflecting HUBCO's continued commitment to embedding a strong safety culture within our sustainability journey.

By fully implementing Process Safety Management (PSM) and related standards, HUBCO ensures safer facilities, protects people and the environment, and strengthens operational resilience, helping us achieve our health, safety, and environmental goals.

Leadership Commitment

At HUBCO, strong leadership commitment is the cornerstone of our Health, Safety, and Environment (HSE) excellence. Our top management, including the CEO, Vice Presidents, Plant Managers, Head of Corporate HSE and all Department Heads, demonstrates visible engagement in HSE governance, setting the tone for a proactive safety culture across the organization.

Leadership's involvement is evident through regular participation in various safety committees, behavior-based safety audits, and direct oversight of Process Safety Management (PSM) initiatives. This commitment ensures that HSE is prioritized equally alongside asset reliability, cost, and quality, and is embedded in every decision and process.

Management is accountable for the safety of personnel and the protection of company property. They provide clear direction and resources for HSE programs, ensuring all employees receive the necessary training, tools, and equipment to work safely. Each leader sets specific, measurable safety goals and regularly reviews progress to drive continuous improvement.

Our risk management framework is anchored in the ALARP (As Low As Reasonably Practicable) principle, guiding the identification, assessment, and mitigation of risks throughout the lifecycle of every project and facility. Safety controls are integrated into engineering design, operations, and maintenance activities.

Top management also leads incident investigations, supports safety motivation and communication programs, and promotes off-the-job safety and health awareness for employees and their families. Through these actions, HUBCO's leadership ensures a resilient, safety-focused culture that protects people, assets, and the environment.

HSE Performance

HUBCO's safety performance continues to reflect our commitment to high operational standards. For the year 2024-25, **HUBCO achieved a Zero TRIR (Total Recordable Injury Rate) for the third consecutive year**, a testament to the effectiveness of our HSE management system.

This success is driven by active leadership, empowered employees, and a disciplined approach to hazard control. Regular HSE audits, process reviews, and behavior-based observations ensure that safety remains the top priority across all HUBCO facilities.

Members of line management are fully accountable for the HSE performance within their areas and organizations, regularly reviewing HSE performance statistics and integrating safety objectives into their performance appraisals.

Additionally, HUBCO sets meaningful, measurable HSE goals and links these targets to incentive compensation, reinforcing a shared commitment to safety across all operations. This sustained focus protects our workforce and communities while strengthening HUBCO's reputation as a responsible industry leader.

Safety Management System Highlights

HUBCO's Safety Management System is built on below interdependent pillars:

1. Governance and Policy Framework

- Corporate HSE Policy aligned with ISO and OSHA standards
- Cardinal Safety Rules enforced company-wide
- Dedicated HSE Committees at Corporate and Site level

2. Standards and Regulatory Compliance

- HSE Manual, SOPs, and site-specific operational protocols
- Compliance with OSHA CFR 1910, ISO 45001, ISO 14001 and PSM
- Permit-to-Work (PTW) system with rigorous authorization and auditing
- Process Hazard Analysis (PHA) and Pre-Startup Safety Reviews

3. Risk and Incident Management

- Risk Assessments for job, process, and location-specific hazards
- Incident reporting, root cause analysis, and culture of Learning from Incidents
- Injury and Illness prevention and hazard mitigation programs

4. Medical and Occupational Health Surveillance

- Pre-employment and periodic medical screenings
- Occupational Hygiene (OHIH) monitoring for noise, dust, temperature, and ergonomics
- Health trend analysis and proactive wellness programs

5. Training and Capacity Building

- HSE Orientation and Skill Assessment
- Training Needs Analysis (TNA)
- Technical, Safety, and PSM training modules
- **23,110 training man-hours** achieved through 1,670 sessions in FY 2024-25

6. Emergency Preparedness and Crisis Management

- Site-specific Emergency Response Plans (ERP)
- Monthly emergency drills including fire, chemical spill, medical emergencies
- Trained fire response teams and routine equipment readiness checks

7. Continuous Improvement and Recognition

- LED dashboards displaying process safety leading indicators and other safety KPIs
- Cross-site benchmarking and process safety audits
- Recognition awards: Best Management Safety Audit, Best Department Level Committees, Star Award, and Annual HSE Achievement Award

8. Safety Assurance and Performance Monitoring

HUBCO continuously evaluates the effectiveness of its safety controls and risk mitigation strategies through systematic audits, inspections, and performance monitoring. Real-time data dashboards track leading and lagging indicators such as Total Recordable Injury Rate (TRIR), incident closure rates, and compliance with safety protocols. These insights enable timely corrective actions and continuous improvement.

9. Safety Promotion and Culture Building

We foster a positive safety culture by actively promoting safety awareness, open communication, and employee involvement at all levels. This includes Safety Week, World Environment day, World day on work place safety, world fire fighters day etc. Regular safety meetings, motivational programs, and recognition awards like best Safety Audit, Department Level Committee, Near miss of the month etc encourage proactive participation. Safety training is ongoing and tailored for new hires, transferees, supervisors, and contractors, ensuring competency and reinforcing safe behaviors.

10. Employee Engagement and Motivation

Leadership regularly engages employees individually and through committees to discuss HSE goals, challenges, and improvements. Reward and recognition programs celebrate exceptional safety performance, while disciplinary measures ensure compliance. This two-way communication strengthens ownership and accountability for safety.

11. Standards and Work Practices

HUBCO maintains clear, practical, and enforced standards including Safe Work Practices and Standard Operating Procedures (SOPs) consistent with OSHA and PSM requirements. These documents are regularly reviewed, accessible at the point of work, and developed with input from frontline personnel to ensure relevance and acceptance.

This extended framework ensures HUBCO's HSE Management System is comprehensive, dynamic, and aligned with global best practices, driving sustained safety excellence.

Key Highlights

100% workforce coverage under the Process Safety Management (PSM), including permanent employees and contractors.

Our safety performance for the year 2024-2025 is reflected by our track record of zero fatalities as a result of work-related injury, zero high-consequence (Lost Time Work) work-related injuries, zero recordable work-related injuries, zero fatalities as a result of work-related ill health, and zero cases of recordable work-related ill health.

More than 35 million safe man-hours and 9,131 cumulative days recorded without a Lost Workday Injury (LWI) achieved across operations.

4.62 million safe man hours achieved during the reporting period without any recordable injury.

As of the reporting period, the Leading Indicator (HSE KPIs) Score stands at 93.2%.

The total number of near misses reported across all HUBCO sites for the fiscal year 2024-25 is 622, reflecting the organization's strong emphasis on proactive hazard identification and reporting.

Regular audits and inspections conducted to ensure compliance with legal requirements, including Pakistan's Factory Act 1934 and NEPRA HSE Code.

All sites of HUBCO ranked excellent in NEPRA HSE Annual Evaluation.



AWARENESS SESSIONS



WORLD DAY FOR SAFETY & HEALTH AT WORK



WORLD ENVIRONMENT DAY



HUBCO actively supports other industries and educational institutions in enhancing HSE awareness. In this regard, comprehensive training sessions conducted at organizations such as Haleeb Foods Pvt. Ltd., along with Process Safety awareness sessions at the University of Engineering and Technology, Lahore.

Hours worked		
	Contractor	Hubco
NEL	183,744	266,256
LEL	141,440	278,560
TEL	1,504,130	501,588
TNPTL	1,252,052	467,948

Table 8. Hours worked

HSE Trainings



In FY 2025, HUBCO conducted 1,670 HSE and technical training sessions, delivering over 23,110 man-hours of focused learning. Our comprehensive training programs cover critical areas such as Cardinal Rules, Permit-to-Work systems, firefighting and emergency response, risk assessment and hazard control, incident investigation, behavioral safety, confined space entry, SCBA use, chemical handling, spill prevention, waste management, ISO 14001:2015 and ISO 45001:2018 standards, crisis management, pre-startup safety reviews, and Process Safety Management including Process Hazard Analysis.

These programs are delivered through a combination of classroom sessions, toolbox talks, practical drills, and expert-led modules, ensuring that employees are equipped with the knowledge, skills, and mindset necessary to perform their duties safely and responsibly. HUBCO's training system is designed to address the needs of new employees, those transferred between sites, supervisors and promoted personnel, as well as contractor employees. A robust system is in place to provide initial HSE orientation for new or transferred staff and contractors, while management personnel receive specialized training to lead effective HSE management within their areas of responsibility.

Line management is responsible for ensuring that all employees under their supervision receive adequate training, supported by periodic refresher courses and competency demonstrations through job cycle checks and assessments. Training programs are developed based on detailed position- and individual-specific training needs analyses that identify the essential safety competencies required for each role. This approach ensures HUBCO's workforce remains proficient, motivated, and fully aligned with our commitment to operational safety excellence.

Asset Integrity and Critical Incident Management

Maintaining asset integrity is essential to ensure safety, reliability, and environmental protection. HUBCO has established robust systems for asset monitoring, preventive maintenance, and lifecycle management across all facilities. Regular audits are conducted to ensure compliance with maintenance plans.

A robust protocol is in place to manage critical incidents, incorporating early warning systems, contingency planning, and emergency response training. These measures ensure swift and effective action in the event of equipment failure or environmental risk, safeguarding both people and the environment. Skilled firefighting, medical, and emergency response teams are available on-site 24/7. To maintain readiness and adherence to protocols, regular emergency drills are conducted.





Climate-Related Risks and Opportunities

In alignment with national regulatory requirements for listed companies within Pakistan, HUBCO is on the journey to adopt the International Financial Reporting Standards Sustainability Disclosure Standards (IFRS SDS), S1 General Requirements for Disclosure of Sustainability-related Financial Information, and S2 Climate-related Disclosures. The IFRS SDS S2 requires companies to disclose climate-related risks and opportunities that could be reasonably expected to impact a company's prospects. The "climate-first" transition relief under IFRS S1 allows companies to initially focus their sustainability reporting on climate-related risks and opportunities, rather than all sustainability-related matters, in their first year of applying the standards, as such HUBCO has prioritized the climate-related risks and opportunities. A detailed analysis and methodology of this assessment can be found in Appendix (page number 153) .

Physical Risks

Assessed using IPCC's SSP2-4.5 ("Middle of the Road," ~2.7°C warming by 2100) and SSP5-8.5 ("Fossil-Fueled Development," >4.4°C warming) scenarios across short- (2020-2039), medium- (2040-2059), and long-term (2080-2099) horizons for four plants:

Acute Risks:

Extreme heatwaves, heavy rainfall/flooding, storms.

Chronic Risks:

Rising temperatures, changing precipitation, drought, glacier melt, sea-level rise.

Plant-Level Resilience

Narowal Energy (NEL): Mitigates extreme heat with real-time monitoring, OHIH protocols, and cooling systems; flooding risks minimized via elevated platforms and moisture protection.

Laraib Energy (LEL): Resilient to glacier melt and flooding through Mangla Dam coordination; drought impacts mitigated via standby units (86.7M Rs/year cost).

Thar Energy (TEL) & ThaiNova (TNPTL): Desert-adapted with heat-resistant infrastructure, dual water sourcing, and dust storm protections (4.2M Rs/year filter costs).

Transition Risks

Evaluated under SSP scenarios:

Policy/Legal: Aligning with Pakistan's evolving ESG regulations (SECP/SBP).

Technology: Low risk due to diverse portfolio and BYD NEV partnership.
Market: Decentralized solar and carbon taxes pose demand risks; mitigated by mineral mining JV.
Reputation: Domestic coal support offsets global phase-out pressures.

Climate-Related Opportunities

EV Infrastructure: Early-mover advantage via HUBCO Green.
R&D Partnerships: Pilot projects in grid storage and carbon capture.

Risk Management

Climate risk management is integrated into enterprise risk frameworks with annual monitoring, prioritization, and Board-level reporting.

Sustainability Risks and Opportunities

HUBCO has conducted its first sustainability risk assessment in alignment with IFRS S1 and the SASB standards for the Electric Utilities & Power Generators sector. The assessment focuses on five key sustainability topics: greenhouse gas emissions, air quality, water management, coal ash management, and workforce health and safety. A detailed analysis and methodology of this assessment can be found in Appendix (page number 162).

Sustainability Risks

GHG Emissions: Carbon taxation and investor pressure on capital costs.

Air Quality: SO_x/NO_x/PM compliance risks (fines/shutdowns); mitigated by ISO 14001, CEMS.

Water Scarcity: Drought impacts (e.g., TEL/TNPTL's \$34.8M alternative sourcing risk).

Coal Ash: Contamination liability; geo-membrane liners in place.

Workforce Safety: Injury risks managed via ISO 45001, PSM, behavior-based safety programs.

Sustainability Opportunities

- GHG Reduction:** Fuel switching, process improvement, renewables, and offsets.
- Water Stewardship:** Recycling, efficiency tech (e.g., LEL's SCADA inflow controls).
- Safety Innovation:** Digitized monitoring, MOU with neighbouring industries for emergency response.

Governance

Sustainability risks are integrated into ERM, with regular monitoring and mitigation aligned with HUBCO's strategic goals.



Corporate Social Responsibility

HUBCO remains committed to regional development around its plants, including Narowal Energy Limited (NEL), Laraib Energy Limited (LEL), Thar Energy Limited (TEL) and ThalNova Power Thar (Private) Limited (TNPTL). This report consolidates our CSR and ESG achievements from July 2024 to June 2025, showcasing impact across healthcare, education, environmental sustainability, and community development.



Our CSR Pillars



Education



Health



Livelihood



Infrastructure Development

Category	Metric	Achievement	Beneficiaries/Scope
 Healthcare	Community Medical Centers	Provision of free healthcare services and medicines	108,190 OPD patients served
	Nutrition Support	Malnutrition screening and nutrition assistance with follow-up care	8,000 children screened; 800 provided with nutritional supplements and health visits
 Education	Student Enrollment	Improved access to quality education	7,621 students enrolled (36% are females)
	DAE Coal Mining Program	Three-year technical training (two years local, one year in China)	46 students enrolled, including 14 girls
	Digital Education	Establishment and sponsorship of computer labs	Government schools & colleges supported
 Infrastructure Development	Clean drinking water	Installation of RO plants and provision of portable water tankers	Villages surrounding our plant sites
	Sanitation Projects	Construction of pit latrines to improve hygiene and sanitation	250 latrines built in Gorano area
 Livelihood	Vocational Training	Sponsored skill development through vocational training centers	Local women around our plant sites
	Livelihood Creation	Local employment opportunities generated	200 jobs created in Block-II & Gorano communities
	Women Empowerment	Strengthened employability through office support training	145 community women trained

Table 9. CSR key performance indicators

Sector-Wise Achievements

Healthcare Initiatives

- Implemented nutrition supplementation pilot for 90 women
- Breast Cancer Awareness Programs were conducted for Community Females and School Teachers
- Renovated 2 health facilities in Block-2

Education & Youth Development

- Celebrated Sports Week and Annual Results Day
- Conducted Teachers Training Programs (184 educators assessed)
- Inaugurated upgraded CNC/IT labs at GPI Mithi

Environmental Stewardship

- Awarded "Green Initiatives" honor at 17th CSR Awards
- Signed IUCN Addendum for conservation programs

Community Empowerment

- Cricket Academy partnership with Shahid Afridi Foundation
- Livestock Expo participation (275 farmers trained)
- Installed 60 streetlights across 7 villages
- Constructed 250 sanitation units in Gorano

Financial Commitment

- Total CSR allocation FY 2024-25: Rs 182 million

Recognition & Certifications

- Won 5 awards at 17th Annual CSR Awards (Islamabad & Karachi)
- Maintained ISO 14001 & 45001 certifications at all sites
- Green Office certification for LEL Head office and NBE Plant site and HUBCO Head office Karachi

HUBCO's integrated CSR-ESG approach during FY 2024-25 has created a measurable impact across our operational regions. Our investments in healthcare, education, livelihood, and environmental sustainability reflect our commitment to being a responsible corporate citizen while supporting Pakistan's SDG targets. HUBCO through TEL and TN extends donation to the Thar Foundation to work in avenues aligned with our CSR program pillars in Tharparkar area.

HUBCO reaffirms that Corporate Social Responsibility is not an ancillary activity, but a strategic imperative embedded in our governance framework. Our approach transcends compliance, focusing on creating measurable value for both business and society through three core principles:

Strategic Integration

We have moved beyond philanthropic CSR to purpose-driven interventions that:

- Strengthen operational resilience (e.g., water infrastructure investments reducing drought risks at Thar plants)
- Build human capital (vocational programs creating skilled workers for our renewable energy transition)
- Enhance stakeholder trust (medical camps serving 108,000+ patients directly improving community health indicators)

Governance & Accountability

1. Quarterly Impact Reviews: Assessing CSR program effectiveness along with expenditure metrics
2. Dynamic Resource Allocation: Shifting CSR funds to high-impact areas (e.g., redirecting 2025 Q2 budgets to flood-resilient infrastructure post-climate risk assessment)

Future-Focused Commitments

CSR Plans for 2025-26 include programs in the areas of education, health, community development and infrastructure improvement for communities around all plants.





Sustainable Development Goals (SDGs)

At HUBCO, our sustainability strategy is guided by the United Nations Sustainable Development Goals (SDGs), a global framework to address the world's most pressing challenges by 2030. As a leading energy company in Pakistan, we recognize our pivotal role in enabling sustainable development, ensuring energy security, and supporting the country's transition to a low-carbon economy.

Our operations, investments, and community engagements are aligned with several priority SDGs, with particular focus on the following:



education and vocational training.

We invest in educational infrastructure, scholarships, and skill development programs in the regions where we operate. Our goal is to uplift communities by enhancing access to quality

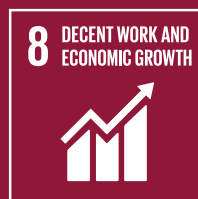


Water stewardship is integral to our sustainability agenda, especially given HUBCO's CSR initiatives in RO plants



education and vocational training.

We invest in educational infrastructure, scholarships, and skill development programs in the regions where we operate. Our goal is to uplift communities by enhancing access to quality



to empower local communities and employees alike. In addition, HUBCO offered vocational training and non-traditional employment training programs.

We foster inclusive economic growth by creating skilled employment opportunities across our operations. HUBCO adheres to fair labor practices, promotes diversity and inclusion, and invests in training program



HUBCO continues to invest in modernizing infrastructure for the community. Our upcoming CSR initiatives support the enhancement of available infrastructure



enhancing energy efficiency wherever possible.. We are also undertaking environmental and social impact assessments (ESIAs) in all new projects to ensure responsible development. HUBCO has also undertaken mangrove plantation projects to reduce the carbon footprint.

Recognizing the urgent need to combat climate change, HUBCO is taking proactive steps to monitor and reduce its environmental footprint. This includes monitoring its carbon emissions and

Our Path Forward

As Pakistan navigates complex energy and climate challenges, HUBCO remains committed to embedding sustainability in every facet of our operations. We strive to generate long-term value for our stakeholders while contributing meaningfully to a more inclusive, sustainable, and resilient energy future for Pakistan.

Key CSR Highlights



FREE MEDICAL CAMP

STITCHING & EMBROIDERY COURSE



DISTRIBUTION OF BOOKS

NUTRITION SUPPORT



COMPUTER AND E-COMMERCE TRAINING PROGRAM



BEAUTICIAN COURSE

TREE PLANTATION DRIVE



EDUCATION SPONSORSHIP

PROVISION OF CLEAN DRINKING WATER





DRIVEN TO RISE TOGETHER

At the heart of our success lies a culture that empowers, includes and uplifts. We invest in our people, nurture talent and celebrate diversity to create a workplace where everyone grows together. Because when we rise, we rise as one.



Nurturing a thriving workplace culture

In FY 24-25, our Human Resources strategies continued to champion professional development, inclusivity, recognition and open communication; core pillars that fuel our people-first culture. We remain committed to aligning individual growth with organizational goals, cultivating an environment where employees feel empowered, valued and inspired to contribute to collective success.

A. Diversity and Inclusion at HUBCO

At HUBCO, we believe that diversity is our strength and inclusion is our responsibility. We deepened our commitment to building a workplace where every voice is heard, every background is respected, and every individual has the opportunity to grow. Our inclusive culture is driven by clear, measurable goals that promote representation, equity and belonging across all tiers of the organization.

DEI Committee:

Our fully operational internal Diversity, Equity and Inclusion (DEI) Committee plays a crucial role in overseeing HUBCO's diversity efforts and is responsible for addressing challenges, implementing policies and ensuring that our organization remains a top choice for talent in the corporate sector. Our initiatives have led to measurable improvements in diversity and inclusion within HUBCO. We continuously monitor our progress against established objectives and adjust our strategies as needed to ensure ongoing success. Our commitment to diversity is evident in the increasing representation of various groups within our workforce and the positive feedback from employees regarding the inclusive culture we strive to uphold. At HUBCO, we view diversity not just as a goal but as an ongoing journey. We are dedicated to continually evolving our practices and policies to create a workplace where everyone feels empowered and valued.

Key Objectives and Initiatives:

1. Targeted Recruitment:

We have implemented strategic recruitment practices aimed at attracting a diverse talent pool. Our goal is to ensure inclusive hiring processes that reach candidates from varied backgrounds, enriching our workforce with diverse perspectives.

2. Diversity Training Programs:

To support our ongoing commitment to diversity and to initiate the sensitization of the organization on the subject, we have marked an awareness session on DEI for the first quarter of FY 2025-26. The session will focus on understanding, respecting and leveraging differences. These programs are integral to our efforts to foster a more inclusive work environment.

3. HUBCO Women Circle:

Since its launch on International Women's Day 2024, HUBCO Women Circle has evolved into a powerful platform for connection, empowerment and professional growth. In 2025, the Circle continued to thrive under the leadership of its chairperson. Regular gatherings featured insightful dialogues, mentoring sessions and knowledge-sharing forums, fostering a strong sense of community among female employees. The initiative has not only amplified women's voices across the organization but also contributed meaningfully to HUBCO's commitment to gender equity and inclusive leadership.

4. Equal Opportunity Policies:

We are committed to fostering an inclusive and respectful workplace where all individuals are treated fairly and with dignity. Our policies ensure that employment decisions are made based on merit, qualifications and business needs.

5. Supporting working parents through onsite childcare

In 2025, HUBCO took a significant step towards fostering a family-friendly workplace by inaugurating daycare facilities at two of its major sites. These centers offer a safe, nurturing environment for children, allowing working parents to focus on their roles with greater confidence and peace of mind. Recognizing the importance of accessible childcare, we are actively working to expand this support across all our sites, ensuring consistent care and convenience for our employees company-wide.

6. Inclusion of Persons with Disabilities (PWDs)

Demonstrating our dedication to building a truly inclusive workforce, we have initiated efforts to onboard Persons with Disabilities (PWDs) into our organization and have partnered with NOWPDP to conduct an infrastructure accessibility audit at our Head Office and one of our plant sites.

This audit is designed to evaluate the accessibility of our facilities for PWDs and pinpoint areas for improvement. Its findings will guide the development of a targeted strategy to upgrade our infrastructure and foster a more inclusive work environment. Moreover, the audit will help us identify roles that align with the unique skills and capabilities of PWDs. This initiative reinforces our commitment to cultivating a workplace where everyone can contribute, thrive and reach their full potential.

B. Major Activities

1. International Women's Day Celebration:

HUBCO celebrated International Women's Day with a heartfelt celebration dedicated to recognizing the strength, resilience and invaluable contributions of its female team members. The event took place at a scenic beach hut, where women from diverse backgrounds and off-site locations gathered together for the celebration.

The day began with a warm networking breakfast, followed by an inspiring storytelling session where women created a safe space to share their personal journeys, challenges and achievements. More than just a celebration, it was a powerful tribute to the women of HUBCO, acknowledging their dedication and the vital role they play in driving the organization forward.



2. Independence Day Celebration

HUBCO celebrated Pakistan's 77th Independence Day across all locations with patriotic spirit. Activities included breakfast, the National Anthem, musical performances and leadership speeches reaffirming HUBCO's commitment to national progress.



3. Eid Celebration

To celebrate the spirit of Eid, we did engaging activities across all sites. Eid baskets were distributed during Ramadan and a post-Eid breakfast was held to bring employees together and share festive moments.



4. Promoting physical well-being through sports

Believing that a healthy workforce is a productive workforce, HUBCO places strong emphasis on physical well-being as a cornerstone of employee wellness. In FY 2024-25, our Head Office Sports Club and site-level sports initiatives actively brought employees together through regular fitness sessions, team sports, and recreational events. These activities not only promote physical health but also relieve stress and nurture a vibrant, active workplace culture.

Key Activities

- Padel Matches
- Cricket tournaments
- Volleyball tournaments

Alongside the outdoor sports activities, we arrange indoor games for our employees on a regular basis at head office and plant sites.



C. Human Resource Management and Succession Planning

Human Resource Management (HRM) at HUBCO is pivotal in aligning our strategic goals with the capabilities of our workforce. A cornerstone of our HRM strategy is the development and implementation of a comprehensive succession plan, designed to ensure leadership continuity and nurture future leaders within the organization.

Key Elements of Succession Planning:

1. Identifying Critical Roles:

- Pinpoint essential roles within Hubco that are crucial for sustaining our operational and strategic objectives.
- Prioritize positions based on their impact on organizational success and potential risk if vacated.

2. Assessing Internal Candidates:

- Conduct thorough assessments of potential internal candidates who exhibit high potential for future leadership roles.
- Utilize performance metrics and career progression data to identify and evaluate promising individuals.

3. Providing Targeted Development Opportunities:

- Offer tailored development programs and leadership training to prepare identified candidates for future responsibilities.
- Focus on enhancing skills and competencies required for critical roles to ensure candidates are well-prepared for succession.

4. Mitigating Turnover Risks:

- Reduce the risks associated with turnover by preparing internal candidates to seamlessly step into leadership positions.
- Retain top talent by providing clear career progression paths and development opportunities.

5. Supporting Organizational Growth:

- Position HUBCO for sustained growth and success by ensuring a pipeline of capable leaders ready to take on key roles as needed.
- Align succession planning efforts with the company's long-term strategic goals to support organizational stability.

D. Capability Development

In a rapidly evolving business landscape, staying ahead requires more than operational excellence; it demands a workforce that's skilled, agile and forward-thinking. At HUBCO, year 2025 was marked by a renewed focus on strengthening capabilities across all levels of the organization. From technical mastery to leadership excellence, our development efforts were purposefully designed to align talent with strategic priorities.

Grounded in a detailed assessment of organizational learning needs, our FY 2024-25 Learning Calendar introduced a wide array of initiatives, including competency-based workshops, bite-sized learning sessions and enterprise-wide awareness programs. Internal expertise took center stage through our cross-functional Knowledge Sharing Series, which promoted a culture of peer-to-peer learning and collective growth.

To sharpen strategic acumen and industry insight, members of our leadership team engaged in tailored in-house programs and external courses at leading institutions such as LUMS, PICG and IBA. These efforts reflect our commitment to cultivating a high-performing workforce, equipped not just to meet business challenges but to lead through them.



COMPETENCY BUILDING WORKSHOP



INTERNAL AUDIT & ETHICS POLICY TRAINING



INTERNAL SKILL BUILDING WORKSHOPS



SUSTAINABILITY INSPIRING INNOVATION

STRATEGIC HR PARTNERING



E. HUBCO Internal Mentorship Program

This program is a strategic initiative designed to accelerate the growth of emerging talent by fostering meaningful connections between junior employees and seasoned leaders. Through structured, one-on-one mentoring relationships, the program aims to:

- Accelerate learning and skill development
- Build confidence and leadership potential in young talent
- Provide exposure to organizational culture and business insights
- Enhance knowledge transfer and cross-functional collaboration

Mentors play a pivotal role in shaping the growth journeys of their mentees, offering valuable insights, personalized guidance and support in overcoming professional challenges. By unlocking potential and bridging experience gaps, the program reinforces HUBCO’s vision of nurturing in-house talent and embedding a culture of continuous learning, collaboration and leadership development.

Our Commitments and Progress:

Our initiatives have led to measurable improvements in diversity and inclusion within HUBCO. As of the reporting period, we have had zero incident reports of discrimination. We continuously monitor our progress against established objectives and adjust our strategies as needed to ensure ongoing success. Our commitment to diversity is evident in the increasing representation of various groups within our workforce and the positive feedback from employees regarding the inclusive culture we strive to uphold.

A. Gender Representation

At HUBCO, we view diversity not just as a goal but as an ongoing journey. We are dedicated to continually evolving our practices and policies to create a workplace where everyone feels empowered and valued.

Internal governance bodies

DEI Committee, Anti-Harassment Committee and Sustainability Growth Committee. For the current reporting period, HUBCO’s internal governance bodies comprise 39% female and 61% male members.

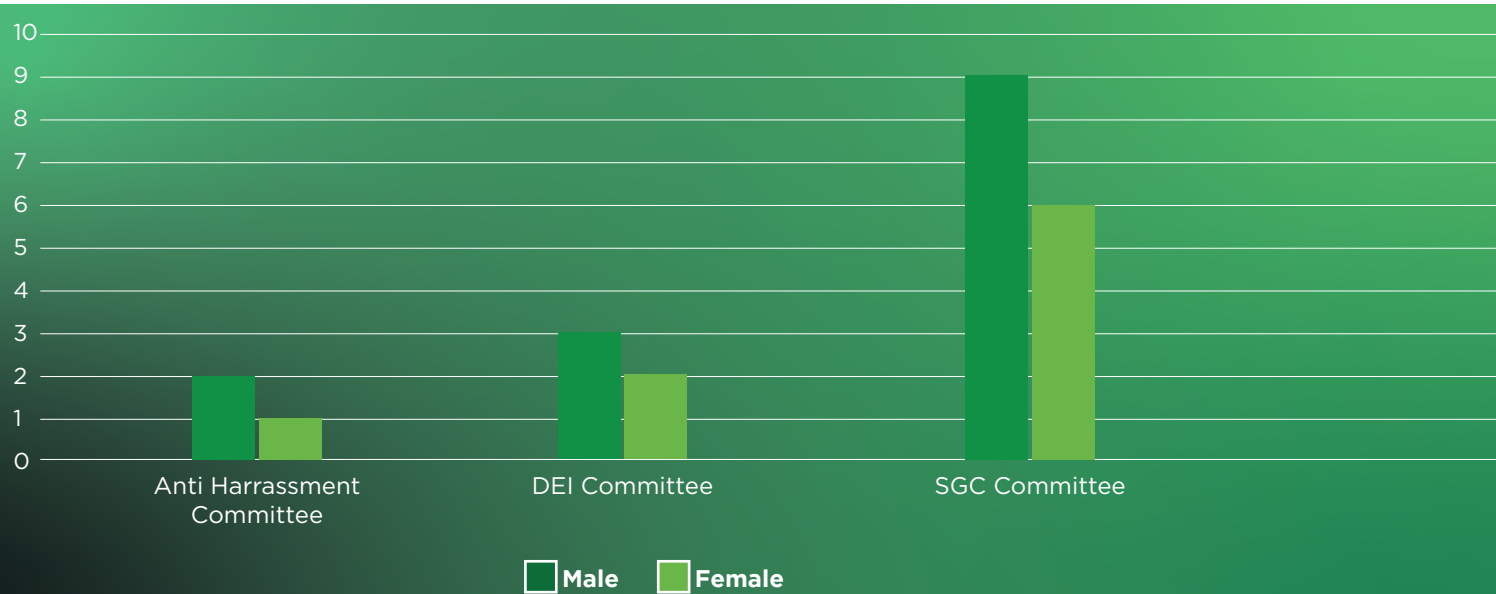


Figure 9. Gender diversity of internal governance bodies

As of FY 2024-2025, HUBCO's workforce comprises of professionals from all age groups ranging from minimum legal working age to beyond 50 years.

HUBCO remains fully compliant with applicable international standards and local labor regulations and strictly prohibits the employment of individuals below the legal working age across all its offices and operational sites.

B. Equal Benefits

HUBCO offers a comprehensive range of employee benefits, including health insurance coverage, parental leave, and retirement provisions for all employees. Plant employees also receive a site allowance, shift allowance, travel allowance, and pick and drop services. Our benefits are designed to support the wellbeing of our workforces.

The Company regularly reviews its benefits framework to ensure that offerings remain relevant, cost-effective, and fully compliant with applicable regulatory requirements.

HUBCO provides parental leave benefits to both female and male employees. Maternity leave is 16 weeks, while paternity leave is 10 working days.

C. Gender and Location Headcount

As of FY 2024-2025, HUBCO employed a total of 627 individuals across its Head Office, Islamabad Office, NEL, TEL & TNPTL, and LEL plants.

Metric	Head Office	ISB Office	NEL	TEL & TNPTL	LEL	Total
Number of male employees	80	7	76	381	52	596
Number of female employees	18	1	3	5	4	31

Table 10. Gender and location headcount

We have 5% of female representation in the total headcount with women assigned to critical leadership roles at Head Office.

D. Employee Hiring and Turnover

HUBCO attracts and retains talented individuals by offering competitive benefits, trainings, meaningful work, and career advancement opportunities across the board.

Metric	Head Office	ISB Office	NEL	TEL & TNPTL	LEL	Total Number
Allocation of employee hiring	23.5%	2.5%	11%	60.5%	2.5%	81 (Joiners)
Turnover	26.4%	0%	12.7%	54.5%	6.4%	110 (Leavers)

Table 11. Employee Hiring and Turnover

E. Fair and Competitive Remuneration

HUBCO provides competitive and equitable compensation packages to attract, retain, and strengthen its talent base. Salary structures are benchmarked through periodic market surveys to ensure alignment with prevailing industry standards. The benchmarking and market surveys inform the design of HUBCO’s compensation package.

In line with legal and ethical standards, HUBCO ensures that all workers at operational sites receive at least the applicable minimum wages, with timely payments made directly through secure bank transfers. Every employee’s performance is evaluated through a structured annual appraisal process, enabling fair and transparent assessment, recognition, and career progression. In addition, all employees undergo regular performance reviews.

As per the SECP gender pay gap guidelines HUBCO’s pay gap ratio (M:F) is 1:1.27.

F. Equal Opportunity of Development

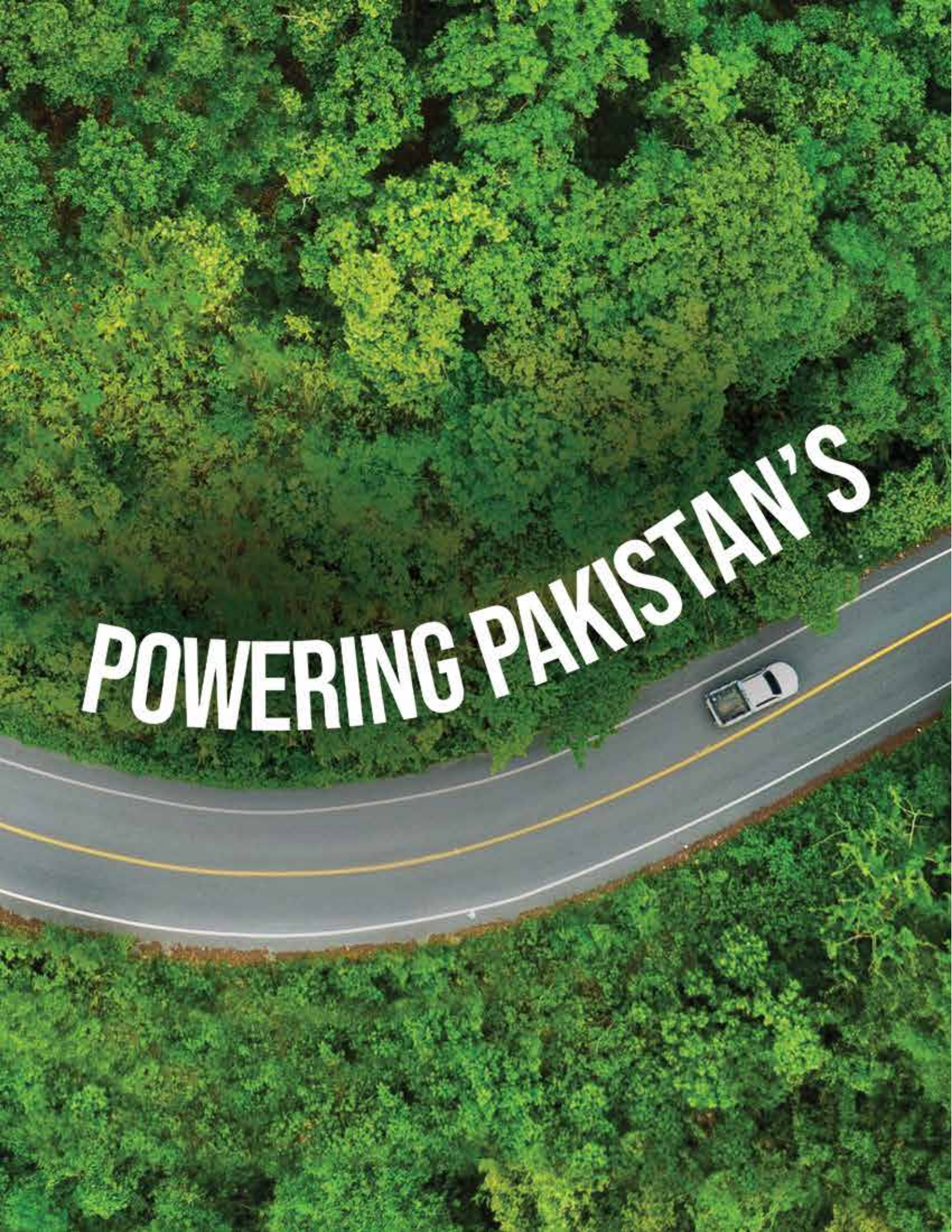
Investing in talent development remains a key priority for HUBCO to attract new talent and retain high performers.

Metric	Total	Average Per Employee/Hour
Total learning hours for female employees	351	11.3
Total learning hours for male employees	2572	4.9
Total learning hours	2923	4.7

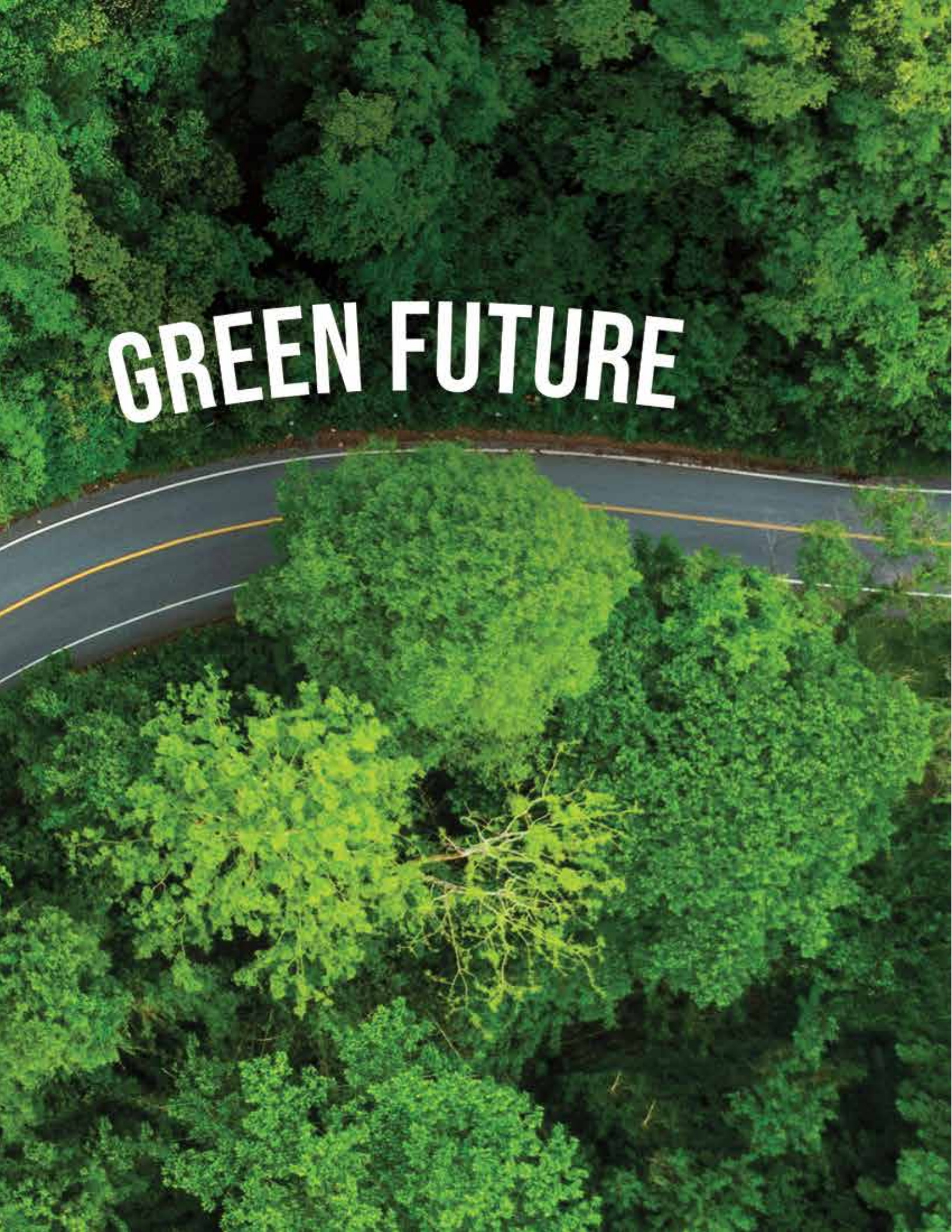
Table 12. Learning Hours

**“ALONE WE CAN
DO SO LITTLE;
TOGETHER WE CAN
DO SO MUCH.”**

— HELEN KELLER



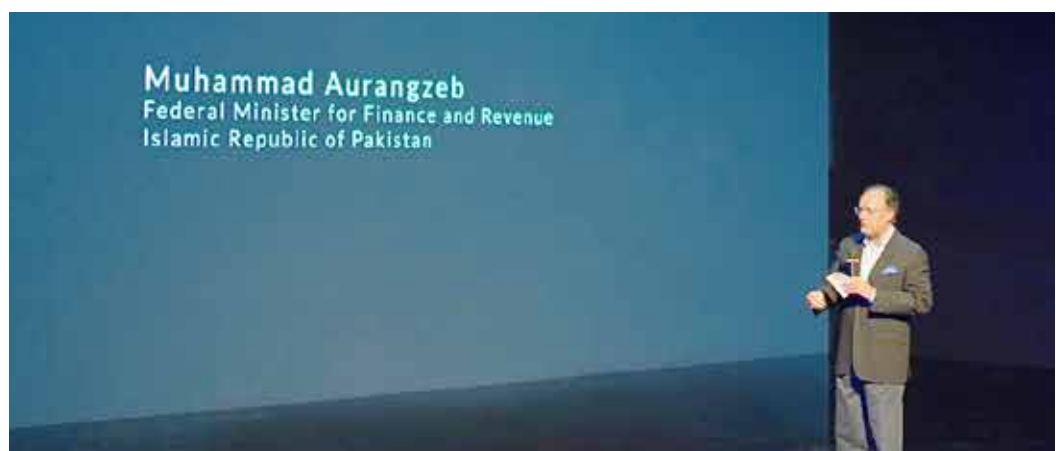
POWERING PAKISTAN'S



GREEN FUTURE



BRAND LAUNCH



LAUNCH OF EXPERIENCE CENTER





HGL'S FIRST EV CHARGING STATION INAUGURATION AT OCEAN MALL, KARACHI



EV CHARGING STATION INAUGURATION AT LAHORE-ISLAMABAD MOTORWAY M2, IN COLLABORATION WITH PSO



Business Model

At HUBCO, our business model integrates a broad spectrum of resources and strategic initiatives to drive sustainable growth and long-term value creation.

This year, we made transformative additions to our business model to reinforce our commitment to innovation and national development. Notable initiatives include:

- Continuation of the distribution of NEVs in Pakistan under the brand Mega Motor Company (Private) Limited (MMCPL).
- The launch of HUBCO Green (Private) Limited (HGL), aimed at establishing a reliable EV charging infrastructure across Pakistan.
- The inception of Ark Metals (Private) Limited (AMPL), focusing on the exploration and development of mineral resources to unlock Pakistan's untapped mining potential.

Inputs

We deploy a diverse range of capital, intellectual, financial, human, infrastructure, social and natural, to support and scale our operations.

For more on our capital deployment and allocation, please refer to page 89.

Core Business Activities

Our operations encompass power generation through both conventional and renewable means, coal mining, oil & gas exploration and now, mineral resource development and electric mobility infrastructure. We maintain a strong focus on asset integrity, regulatory compliance and operational efficiency. Our social license to operate is upheld through community-centric initiatives and alignment with the UN Sustainable Development Goals (SDGs). Environmental management remains central through comprehensive HSE practices.

Outputs

The key outputs include reliable energy generation within the energy sector. This encompasses the indigenous and dependable supply of electricity, as well as the provision of oil, gas and coal across the energy value chain. Additionally, we have entered the electric vehicle market through the local manufacturing and distribution of NEVs under MMC, with the globally renowned Chinese brand, BYD. Complementing this, we are developing a nationwide EV charging infrastructure through HGL to support clean mobility. Our diversification efforts also extend to mineral exploration and development through Ark Metals Private Limited (AMPL), contributing to Pakistan's industrial advancement and resource self-sufficiency.

Outcomes

The results of our business model include enhanced energy security and sustainable growth. Our commitment to operational excellence, forward-looking investments, and a strong focus on environmental and social responsibility enables us to create long-term value for our stakeholders, communities and particularly our shareholders through sustained financial performance and strategic diversification.

Future Outlook

Overview

HUBCO's strategic objectives continue to evolve, reflecting our commitment to diversification and sustainable growth across all business segments. By aligning our goals with emerging national and global trends, we aim to create enduring value for our stakeholders and contribute meaningfully to Pakistan's development.

For detailed insights into our short, medium and long-term objectives, please refer to page 89.

We maintain a strong governance structure, uphold financial resilience and foster high-impact strategic partnerships. Through ongoing investment in future-ready sectors, such as green mobility, mineral resource development, we continue to adapt our strategy in response to emerging challenges and opportunities.

This agile, forward-looking approach reinforces HUBCO's position as a leading and resilient force in Pakistan's energy and infrastructure landscape.

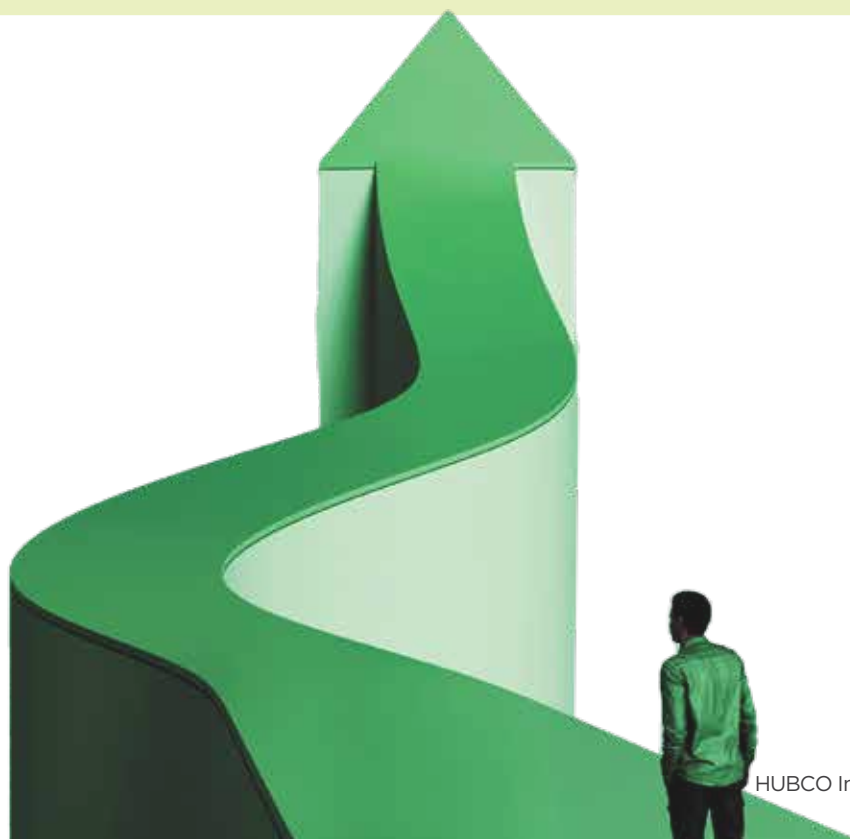
Future Outlook

Looking ahead, HUBCO is focused on scaling its presence in high-growth, transformative sectors that support national progress and sustainability. We are actively advancing our footprint in the electric vehicle ecosystem through local manufacturing and distribution under the BYD brand and enabling green mobility through the development of EV charging infrastructure under HGL.

In parallel, we are unlocking new value streams through Ark Metals, which is dedicated to exploring and developing Pakistan's mineral resources, paving the way for industrial expansion and resource self-sufficiency. We also continue to evaluate opportunities for the development of an oil terminal at our Hub site.

Our unwavering focus on innovation, diversification and environmental stewardship positions us to deliver long-term value for our stakeholders while contributing to Pakistan's energy resilience and economic transformation.

For further details, please refer to page 42.



DRIVEN BY EXCELLENCE

- Received Corporate Excellence award in power generation and distribution by Management Association of Pakistan (MAP) for the 7th consecutive year in 2024.
- Recipient of the prestigious Top 25 Companies Award 2023 by Pakistan Stock Exchange (PSX).
- Recognized for excellence in Health, Safety and Environmental performance at Hub Power Plant and Narowal Energy Limited, as well as for Environmental Management, Health and Safety by The Professionals Network.



APPENDIX





Climate-Related Risks and Opportunities

In alignment with national regulatory requirements for listed companies within Pakistan, HUBCO is on the journey to adopt the International Financial Reporting Standards Sustainability Disclosure Standards (IFRS SDS), S1 General Requirements for Disclosure of Sustainability-related Financial Information, and S2 Climate-related disclosures. The IFRS SDS S2 requires companies to disclose climate-related risks and opportunities that could be reasonably expected to impact a company’s prospects. The “Climate-First” transition relief under IFRS S1 allows companies to initially focus their sustainability reporting on climate-related risks and opportunities, rather than all sustainability-related matters, in their first year of applying the standards, as such HUBCO has prioritized the climate-related risks and opportunities.

Physical Risks and Scenarios Analysis:

As part of its first climate risk assessment, HUBCO has evaluated both physical and transition risks. The assessment incorporates forward-looking scenario analysis using the Shared Socioeconomic Pathways (SSPs) developed in the IPCC’s Sixth Assessment Report (AR6), specifically SSP2-4.5 and SSP5-8.5. These scenarios are paired with Representative Concentration Pathways (RCPs) from the IPCC’s Fifth Assessment Report to model potential climate outcomes under varying emission and development trajectories.

The selected scenarios reflect a range of potential futures:

- SSP2-4.5 (Middle of the Road): assumes moderate climate action, resulting in a projected temperature rise of approximately 2.7°C by 2100. It assumes moderate climate action, with uneven progress in mitigation and adaptation efforts. While some risks are managed, significant climate-related threats persist.
- SSP5-8.5 (Fossil-Fueled Development: Very High Emissions): represents a high-emissions pathway, projecting warming in excess of 4.4°C by 2100. This scenario is characterized by continued reliance on fossil fuels and limited climate action, leading to more severe physical impacts such as extreme weather, biodiversity loss, and human displacement.

The assessment considers three time horizons: short-term (2020–2039), medium-term (2040–2059), and long-term (2080–2099), to understand how climate-related risks may evolve. Physical risk analysis was conducted for four plants: Laraib Energy Limited (LEL), Thar Energy Limited (TEL), ThalNova Power Thar (Pvt.) Limited (TNPTL), and Narowal Energy Limited (NEL). A risk catalogue was developed drawing on IPCC sources to identify key physical climate risks relevant to Pakistan, see table 13 below. These risks were analyzed using historical data and future projections under both SSP2-4.5 and SSP5-8.5. Location-specific likelihood was determined using geographic coordinates for each plant, enabling a focused assessment of relevant risks.

	Acute Physical Risks
Extreme Heat-waves	Prolonged periods of abnormally high temperatures can cause heat stress, health impacts and infrastructure damage
Heavy Rainfall and Flooding	Increased frequency or intensity of rainfall events that overwhelm drainage systems or riverbanks, leading to flooding
Storms	Intense weather systems such as cyclones, hurricanes, or typhoons that bring strong winds, heavy rainfall and potential destruction

Chronic Physical Risks	
Rising Temperatures	The long-term increase in average surface temperatures due to climate change, affecting ecosystems and economy
Changing Precipitation Patterns	Shifts in when, where, and how much precipitation falls, affecting water supplies
Drought and Water Scarcity	Extended periods of low precipitation that reduce water availability
Glacier Melt	Accelerated melting of glaciers driven by rising temperatures is contributing to sea level rise, altered water availability, and glacial lake outburst floods
Sea Level Rise	A gradual increase in ocean levels caused by melting ice sheets and thermal expansion of seawater, threatening coastal areas

Table 13. CSR key performance indicators

Transition Risks and Scenario Analysis:

HUBCO has conducted a transition risk assessment at the group level to evaluate the potential impacts of climate-related changes associated with the global shift toward a low-carbon economy. This assessment, consistent with the approach used for physical risks, considers the current policy landscape as well as future developments under the SSP2-4.5 and SSP5-8.5 scenarios as follows:

- SSP2-4.5 (Moderate Transition): reflects a gradual shift to a low-carbon economy, with manageable but ongoing transition risks requiring sustained climate investment.
- SSP5-8.5 (Delayed Transition): delays transition risks in the short-term but increases long-term exposure to abrupt policy changes, stranded assets, and reputational impacts.

A list of transition risks considered for the risk assessment are outlined below in table 14

Transition Risks	
Policy and Legal Risks	Exposure to financial or operational impacts from climate-related regulations and potential litigation for insufficient climate action
Technology Risk	Disruption from emerging low-carbon technologies that may render existing systems obsolete or require costly upgrades
Market Risk	Shifts in supply, demand, and investor behavior driven by the transition to a low-carbon economy, affecting revenues and competitiveness
Reputation Risk	Damage to stakeholder trust and brand value if the company is perceived as not responding adequately to climate change

Table 14. Transition risk types

Narowal Energy Limited (NEL) Physical Risk Assessment:

Narowal Energy Limited (NEL) is a RFO-fired power project in Narowal, Punjab, constructed in 2010. The plant is on 62 acres of land and is located north-east of Lahore. It is also an RFO-fired, engine-based, combined cycle power station.

Physical Risk	Current Scenario				SSP2-4.5				SSP5-8.5				Impact	
	Likelihood		Vulnerability		Likelihood		Vulnerability		Likelihood		Vulnerability			
Extreme Heatwaves														Temperatures up to 50°C do not affect payments from CPPA. Each degree above causes a 3.078 MWh loss (Rs. 100,000). The financial impact of worker productivity is negligible due to redundancy in staff.
Heavy Rainfall and Flooding														No major financial losses are expected from flooding or rainfall, given historical trends and existing safeguards like moisture protection and indoor critical systems.
Rising Temperatures														Temperatures up to 50°C do not affect payments from CPPA. Each degree above causes a 3.078 MWh loss (Rs. 100,000). The financial impact of worker productivity is negligible due to redundancy in staff. Availability of HSE & OHIH protocols to address this issue through work rotation and other measures.
Drought and Water Scarcity														No past drought-related disruptions have occurred. A prolonged dry season could lower the underground water table, reducing cooling system efficiency and potentially impacting plant generation capacity.
Changing Precipitation Patterns														Changes in precipitation patterns have not had a significant financial impact. Unexpected increases may raise humidity and reduce insulation resistance, causing electrical issues that impact operations.

Table 15. NEL physical risk assessment

NEL's Climate Resilience

The NEL plant demonstrates strong resilience to climate risks through comprehensive adaptive measures. Extreme temperatures are managed with real-time monitoring, advanced cooling systems, and Occupational Health and Industrial Hygiene (OHIH) protocols including strict heat stress control guidelines protocols. Heavy rainfall and flooding risks are mitigated by elevated platforms, flood barriers, reinforced foundations and electrical protections. Rising temperatures are addressed via high-temperature resistant materials, optimized turbine cycles, enhanced cooling infrastructure and workforce heat adaptation. HSE & Occupational Health & Industrial Hygiene (OHIH) protocols also address rising temperatures through work rotation. Water scarcity is managed with closed-loop cooling, on-site water reservoirs and transitions to dry cooling systems. Changing precipitation patterns are handled through corrosion-resistant infrastructure and reliable on-site fuel storage, ensuring stable operations under varied conditions.

Laraib Energy Limited (LEL) Physical Risk Assessment:

Laraib Energy Limited (LEL) is a run-of-the-river hydel based power project in Azad Jammu & Kashmir (AJ&K). The plant is located on the Jhelum River 7.5 km downstream of the 1,000 MW Mangla Dam, a major multi-purpose water storage project commissioned in 1967. The Project uses the water being discharged from the upstream existing hydropower plant (1,000 MW Mangla Hydroelectric Power Station) located at Mangla Dam.

Physical Risk	Current Scenario			SSP2-4.5			SSP5-8.5			Impact
	Likelihood	Vulnerability		Likelihood	Vulnerability		Likelihood	Vulnerability		
Glacier Melt										Glacier melt does not and is not expected to impact Laraib Energy Limited's operations. Excess water from glacier melt is diverted through spill gates and does not affect HUBCO's intake or power generation.
Heavy Rainfall and Flooding										No major financial losses from flooding are expected given the plant's design and historical flows. Minor impacts are managed within the maintenance budget, and generation losses are covered under the PPA.
Rising Temperatures										Mirpur's summer temperatures can reach up to 43°C, but the plant is designed and tested to perform reliably under such conditions. Future temperatures are not expected to impact generation or plant performance. Availability of HSE & OHIH protocols to address this issue through work rotation and other measures.
Drought and Water Scarcity										In a one-year drought, one unit will remain on standby with an estimated 150 kW auxiliary load. Based on expected usage and tariffs, the annual cost is estimated at approximately Rs. 86.7 million.

[illegible]

Table 16. LEL physical risk assessment

LEL's Climate Resilience

The LEL plant demonstrates strong resilience to physical climate risks through a comprehensive set of adaptive measures. From glacier melt to changing rainfall patterns, the plant's operations are safeguarded by coordinated water management with Mangla Dam authorities, real-time monitoring systems, and robust flood infrastructure. High ambient temperatures are mitigated through resilient cooling systems and precision air handling units. HSE & OHH protocols also address rising temperatures through work rotation. During droughts or water scarcity, generation is optimized to ensure efficient water use without compromising output. The plant is also well-prepared for precipitation extremes, with SCADA-based inflow controls, weather-responsive O&M protocols, and resilient infrastructure maintained through annual third-party inspections.

Thar Energy Limited (TEL) and Thal Nova Power Thar (Private) Limited (TNPTL)

Physical Risk Assessment:

The Thar Energy Limited (TEL) and Thal Nova Power Thar (Private) Limited (TNPTL) are both 330 MW mine-mouth lignite-fired facilities located at Thar Coal Block II, Sindh, and form part of the China-Pakistan Economic Corridor (CPEC).

Physical Risk	Time Horizon	Current Scenario		SSP2-4.5		SSP5-8.5		Impact
		Likelihood	Vulnerability	Likelihood	Vulnerability	Likelihood	Vulnerability	
Extreme Heatwaves	Short							No significant financial impact by heat waves has been recorded to date. The power generation process, cooling efficiency and coal handling operations remain uninterrupted in peak heatwaves.
	Medium							
Heavy Rainfall and Flooding	Short							No disruptions or downtime has been recorded historically due to heavy rainfall or flash flooding. Power generation processes remain uninterrupted during peak monsoon periods.
	Medium							
Rising Temperatures	Short							No measurable operational impact recorded due to rising ambient temperatures. No increased cooling costs, unplanned maintenance, or downtime have been experienced. Availability of HSE & OHH protocols to address this issue through work rotation and other measures.
	Medium							

Transition Risk	HUBCO's Climate Analysis
Policy and Legal Risks	In the last few years, Pakistan has been introducing climate and environment policies. These include national and provincial climate change policies. The Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) are working on ESG adoption and ESG reporting in Pakistan by phasing in reporting requirements per IFRS S1 and S2 and introducing Pakistan's Green Taxonomy. HUBCO will need to abide by these policies as well as all future relevant policies. HUBCO is already working on these lines and aligning its reporting framework with SECP guidelines as well as IFRS S1 & S2 requirements.
Technology Risk	Since HUBCO has a diverse portfolio of energy generation, they are likely able to adapt to technological changes. Pakistan is increasing investment in renewable energy and supporting electric vehicles by increasing the accessibility of charging stations and transforming 4-wheeled vehicles to be electrically charged. With HUBCO's partnership with BYD, it is well-positioned to adapt and benefit from changes in technology trends and, therefore, has low technology risk.
Market Risk	The federal government is considering carbon taxes and green subsidies². Pakistan's exporting industries might be impacted by Europe's CBAM policy or any Scope 2 requirements, which could impact their demand for energy. In addition, the advent of affordable solar energy generation in Pakistan means individuals and businesses are transitioning to generating their own power and reducing energy demands. To reduce market risk due to low demand, HUBCO is exploring the mineral mining sector through a joint venture agreement with Ark Metals (Private) Limited for the exploration and development of mineral mines in Pakistan.
Reputation Risk	Globally, there is a call for a coal phase-out. HUBCO's reputation may be at risk if customers in Pakistan echo similar sentiments. However, this is not currently the case as the government is still investing in coal infrastructure.

Table 18. Transition risk assessment

Transition risk can vary depending on which SSP has been followed. The following table explores how the energy sector's transition risk can be impacted under different SSPs.

SSP Scenario Global

Transition Risk	SSP 2-4.5 (Moderate) 2.7 C rise by 2100	SSP5- 8.5 (Worst) 4.4 C rise by 2100
Policy and Legal Risks	Climate policies evolve slowly, with moderate shifts toward renewable energy and emissions reductions. Weak global institutions and inconsistent regulations create uncertainty for businesses, increasing financial risks. Legal challenges over climate inaction or inadequate disclosures may rise but remain moderate.	Minimal regulations on carbon emissions and weak climate policies reduce short-term legal risks for fossil fuel industries. However, as climate impacts intensify, there is a high risk of abrupt and aggressive future policies, leading to potentially stranded assets and costly legal battles.
Technology Risk	Technological advancements occur steadily, with the gradual adoption of renewable energy, carbon capture and energy efficiency solutions. Companies relying on fossil fuels face increasing costs but have time to adapt, limiting abrupt disruptions.	Rapid economic growth drives technological advancement, but mainly in fossil-fuel-based industries. Renewable energy and low-carbon innovations remain secondary, increasing the risk of disruption if sudden shifts toward sustainability become necessary.

Market Risk	Supply and demand for low-carbon products increase steadily but unevenly across regions. Some industries transition smoothly, while others struggle with shifting consumer preferences and regulatory changes.	High fossil fuel demand sustains traditional industries but leaves them vulnerable to future carbon pricing or economic shocks related to climate damage. Market volatility could increase as climate impacts disrupt supply chains.
Reputation Risk	The public perception of companies' climate action remains important, but reputational risks are moderate. Companies seen as slow to transition may face backlash from environmentally conscious consumers and investors.	As climate awareness grows, companies heavily reliant on fossil fuels face significant reputational risks. Public and investor pressure could intensify, leading to potential divestment and boycotts.

Table 19. Transition risk under different SSPs

In summary, SSP2-4.5 presents moderate, steady transition risks, while SSP5-8.5 delays risks in the short term but heightens long-term exposure due to reliance on fossil fuels.

HUBCO's Climate Risk Management Process at the Plant Level

All HUBCO sites already have risk registers where financial and operational risks are defined. HUBCO will integrate climate-related physical risks into its existing risk register, ensuring alignment with international standards and the company's long-term strategic goals.

Risk Identification:

HUBCO will monitor climate trends using IPCC's latest assessment reports for scenario analysis based on SSP scenarios on a yearly basis. Provincial-level projections at plant locations will be tracked using the World Bank's Climate Knowledge Portal. This will support early identification of relevant physical climate risks and continued monitoring of trends for existing identified risks.

Risk Assessment:

Each identified physical risk will be assessed for likelihood, vulnerability and impact. Likelihood will be determined using likelihood values from the latest IPCC Assessment reports under each SSP scenario. Vulnerability will be assessed by comparing required protective measures for physical risk against those currently in place. Lastly, impact will be evaluated across key dimensions such as:

- **Financial Risks:** Losses from supply disruptions, infrastructure damages, efficiency drops, downtime and workforce-related issues.
- **O&M Costs:** Increased costs for maintenance, cooling, efficiency upgrades and climate-resilient infrastructure.

Risk Prioritization:

Risks will be ranked based on their assessed likelihood and material financial impact, allowing HUBCO to focus on the most immediate and high-consequence threats.

Risk Mitigation:

Mitigation strategies will be implemented in order of priority to reduce exposure, ensure operational continuity, and minimize financial losses. Where possible, adaptive measures will also be considered in order to prevent losses due to physical climate risks. Actions will be aligned with HUBCO's strategic and sustainability goals.

Risk Reporting:

Climate risk findings, assessments and mitigation outcomes will be integrated into HUBCO's regular risk reporting cycles. This ensures visibility at the Board and management level and supports continuous improvement of climate resilience measures.

HUBCO's Climate Opportunities

HUBCO is uniquely positioned to harness the opportunities presented by the global shift toward a low-carbon economy. Its experience in conventional energy and growing investments in cleaner technologies enable HUBCO to lead the transition by expanding renewable energy assets, improving operational efficiency, and exploring innovative solutions. An overview of potential climate opportunities, aligned with the International Energy Agency's (IEA) Net Zero Emissions (NZE) by 2050 scenario, is presented below in table 20.

Climate-Related Opportunities	Description
Opportunity Type: Renewable Energy Expansion Time Horizon: Medium to long-term Likelihood: Very Likely Magnitude of Impact: High Potential Financial Impact: High	According to the IEA's NZE 2050 scenario, two-thirds of total energy supply in 2050 is from wind, solar, bioenergy, geothermal and hydro energy. HUBCO is well-positioned to scale up its renewable energy portfolio, aligning with both global decarbonization trends and Pakistan's national climate commitments. With further investments in hydro, wind and solar power, HUBCO can accelerate the development of clean energy projects and contribute directly to these national goals. Expanding renewables not only helps reduce the company's carbon footprint but also enhances long-term energy security, insulates against fossil fuel price volatility and strengthens HUBCO's positioning in a decarbonizing global economy.
Opportunity Type: Energy Efficiency and Modernization Time Horizon: Short to medium-term Likelihood: Likely Magnitude of Impact: High Potential Financial Impact: Medium	In IEA's NZE Scenario, global energy demand in 2050 is around 8% smaller than today, but it serves an economy more than twice as big and a population with 2 billion more people. Energy efficiency is widely recognized as one of the fastest and most cost-effective strategies for reducing greenhouse gas emissions, with the IEA estimating that efficiency measures could deliver over 40% of the emissions reductions needed to meet the Paris Agreement targets. For HUBCO, upgrading plants through turbine retrofits, digital systems and advanced monitoring reduces fuel use, lowers emissions, and boosts competitiveness, aligning with Pakistan's shift toward low-cost, low-carbon power. For HUBCO, ISO 50001 energy management system will be adopted by Thar and LEL plants to improve thermal efficiency.
Opportunity Type: Electric Vehicles Infrastructure Time Horizon: Short to medium term Likelihood: Very Likely Magnitude of Impact: Medium Potential Financial Impact: High	To achieve the NZE 2050 scenario, all cars on the road worldwide should run on electricity or fuel cells. HUBCO is actively pursuing electric vehicle (EV) infrastructure as a strategic climate opportunity through its subsidiary, HUBCO Green (Private) Limited (HGL). Expanding EV infrastructure not only aligns with global trends toward decarbonizing the transport sector but also supports Pakistan's national ambitions for cleaner transportation and reduced reliance on imported fossil fuels. By entering the EV ecosystem early, HUBCO positions itself to capture long-term value in a rapidly growing market, while contributing to improved air quality, energy security and climate resilience.
Opportunity Type: R&D Partnerships and Innovation Time Horizon: Long-term Likelihood: Likely Magnitude of Impact: Medium Potential Financial Impact: Medium	The IEA emphasizes the critical role of R&D and innovation in achieving net-zero emissions by 2050. HUBCO can play a pivotal role in accelerating Pakistan's clean energy transition by investing in R&D partnerships focused on climate innovation. Collaborations with universities, international technology providers, and research institutions can help HUBCO pilot advanced solutions in areas such as grid-scale battery storage, smart grid integration, low-emission fuels, and carbon capture technologies. These partnerships not only support the development and deployment of climate-resilient infrastructure but also position HUBCO as a knowledge leader in the energy sector.

Table 20. Climate-related opportunities

Sustainability Risk and Opportunities

HUBCO's Sustainability Risk Assessment:

HUBCO has conducted its first sustainability risk assessment in alignment with IFRS S1 and the SASB standards for the Electric Utilities & Power Generators sector. The assessment focuses on five key sustainability topics: greenhouse gas emissions, air quality, water management, coal ash management and workforce health and safety. Risks are evaluated across three time horizons—short term (1–3 years), medium term (4–7 years) and long term (7–10 years)—to capture both immediate and evolving exposures.

Of the five sustainability disclosure topics outlined in the SASB Standard for Electric Utilities & Power Generators, the associated risks are defined as follows:

SASB Topic	Associated Risks
Greenhouse Gas Emissions	Direct (Scope 1) and indirect (Scope 2 & 3) emissions; risk of regulation, costs, reputational damage
Air Quality	Emissions of SOx, NOx, PM; risk of health impacts, regulatory fines, public opposition
Water Management	Use and discharge of water; scarcity, flooding, regulation and stakeholder conflict risks
Coal Ash Management	Disposal and storage of fly ash and bottom ash; risk of land/water contamination and liability
Workforce Health and Safety	Injury and illness risk, compliance, reputation and operational continuity implications

Table 21. SASB associated risks

NEL Sustainability Risk Assessment

Risk Category	Likelihood				Vulnerability				Time Horizon	Impact	NEL Sustainability Mitigation Measures in Place
GHG Emission NEL: High Scope 1 emissions; exposure to carbon pricing and fossil fuel transition									Short to Long	Minimal direct cost; however, increased investor pressure and carbon taxation could affect access to capital or raise the cost of capital over time. Engine are designed to meet standardized emission values. Direct cost; however, increased investor pressure and carbon taxation could affect access to capital or raise the cost of capital over time.	Engine are designed to meet standardized emission values Continuous monitoring of engines performance Inhouse RFO Quality Testing Strict Lab testing of all quality parameters of RFO before it is used for plant operations
Air Quality NEL: High SO _x /NO _x /PM emissions leading to regulatory scrutiny									Short to Medium	Potential fines or shutdown risk from non-compliance could cause financial impact. Increasing regulation could also pose a cost of installing/upgrading pollution control systems. Engines are designed to comply with standardized emission limits, minimizing the risk of air quality breaches. Additionally, strict monitoring of RFO quality parameters is conducted to ensure compliance. ISO 14001 is implemented to support environmental management Potential fines or shutdown risk from non-compliance could cause financial impact. Increasing regulation could also pose a cost of installing/upgrading pollution control systems. Engines are designed to meet the standardized values thus chances are rare to breach the assigned limits of air quality.	Engines are designed to comply with standardized emission limits, minimizing the risk of air quality breaches. Inhouse RFO Quality Testing Strict monitoring of RFO quality parameters is conducted to ensure compliance. Third-Party Emission Testing: NEL monitors emissions on a quarterly basis through a third party approved by the EPA. Globally Recognized Standard: ISO 14001 is implemented to support environmental management
Water Management NEL: Cooling water scarcity in dry season									Medium	Increased treatment and procurement costs, downtime due to scarcity or rationing and potential regulatory caps on water intake could cause financial impacts. Chances of impact of cooling water scarcity are minimal. Strict monitoring of water consumption during plant operations is carried out. Chances of impact of cooling water scarcity are minimal.	Realtime monitoring; Strict monitoring of water consumption during plant operations is carried out.

[illegible]

LEL Sustainability Risk Assessment

Risk Category	Likelihood				Vulnerability				Time Horizon	Impact	Mitigation Measures in place
GHG Emission LEL: Scope 2 emissions from grid dependency and equipment									Medium to Long	Minimal direct cost; however, increased investor pressure and carbon taxation could affect access to capital or raise the cost of capital over time.	Energy Efficiency Initiatives: Over the past years, we have implemented energy-efficient measures to reduce our overall energy consumption, including: • Replacing 400W Tango lights with 100W LED lights • Replacing fluorescent tube lights with LED alternatives • Installing motion sensors with LED lights to minimize unnecessary usage • Upgrading rooftop units with inverter-based technology Load Management: To minimize reliance on external electricity imports and optimize internal energy usage, NBE has implemented a range of administrative load management controls. These measures are designed to enhance operational efficiency, reduce generation costs, and align with national grid stability efforts. • Transformer De-Energization During Low hydrology • Non-critical and auxiliary loads are powered off during unit shutdowns Transition to Renewable Energy Sources: With the government’s approval of a competitive electricity market for procurement from private companies, we plan to explore future options for sourcing electricity from renewable providers in case of need

Water Management LEL: Seasonal variability in river flows, climate-related changes upstream								Medium to Long	Seasonal variability could impact power generation; however, under the PPA, LEL faces no financial loss due to hydrology fluctuations.	Hydrology Monitoring: Instrumentation has been installed at the NBE headrace and tailrace channels to enable real-time monitoring of water levels and flows. Coordination with Mangla, NPCC, IRSA & PID Coordination is established for managing flows from upstream and downstream regions of Mangla to ensure efficient water management. Regular updates are received on dam inflows from IRSA official portals. Plant Operation Optimization: Power generation is optimized daily based on inflow forecasts to ensure efficient water usage. Level mode controls are integrated into SCADA systems to manage inflow variability more effectively.
Workforce Health and Safety: LEL: Safety risks during dam maintenance, remote access, and electrical hazards								Short	Injuries could result in higher insurance premiums, compensation claims, and temporary shutdowns. Additionally, weak safety performance could harm reputation and contractor relations or attract regulator scrutiny.	Health, Safety & Environmental Excellence: At LEL ensuring the health, safety, and environmental well-being of our employees, contractors, local communities, and surrounding ecosystems is a core operational priority. Internationally Aligned HSE Management System Our Health, Safety & Environment (HSE) Management System is aligned with globally recognized standards, including: • ISO 45001 (Occupational Health & Safety) • ISO 14001 (Environmental Management) • PSM (Process Safety Management under OSHA CFR 1910.119)

HUBCO's Sustainability Opportunities

HUBCO is well-positioned to capitalize on the growing emphasis on sustainability across environmental, social, and governance dimensions. Its diversified portfolio and operational expertise offer a strong foundation to drive improvements in resource efficiency, environmental stewardship, and stakeholder engagement. By integrating sustainability considerations into core operations, such as reducing emissions, improving water use, strengthening workforce safety, and adopting responsible waste practices, HUBCO can enhance long-term resilience. An overview of potential sustainability opportunities is presented below in Table 25.

Sustainability Opportunities	Description
Opportunity Type: GHG Emissions Time Horizon: Medium to long term Likelihood: Very Likely Magnitude of Impact: High Potential Financial Impact: High	HUBCO aims to pursue greenhouse gas reduction opportunities through fuel transition or process optimization to lower carbon intensity, and integrating renewable energy or purchasing offsets. These actions offer direct financial and reputational benefits, including access to sustainable and performance-linked financing, reduced exposure to future carbon taxes and regulations, and long-term cost savings through enhanced energy efficiency.
Opportunity Type: Water Management Time Horizon: Short to medium term Likelihood: Likely Magnitude of Impact: Medium Potential Financial Impact: Medium	HUBCO aims to enhance water management by adopting water conservation, water consumption efficiency and recycling technologies and optimizing power plant operations. These measures reduce operational risks related to water scarcity and variability, support climate adaptation, and reinforce HUBCO's social license to operate. Financial benefits include reduced water procurement and treatment costs, lower risk of disruption due to regulatory constraints, and enhanced eligibility for green financing tied to responsible water stewardship.
Opportunity Type: Air Quality Time Horizon: Short to medium term Likelihood: Moderately Likely Magnitude of Impact: Medium Potential Financial Impact: High	HUBCO aims to improve air quality performance by taking immediate measures against any deviation from regulation and ensuring strict monitoring schemes remain intact such that all emissions are well below defined limits by relevant EPAs. These measures help avoid regulatory penalties and reduce future compliance costs under stricter emission standards.
Opportunity Type: Coal Ash Management Time Horizon: Medium term Likelihood: Moderately Likely Magnitude of Impact: Low Potential Financial Impact: Medium	HUBCO's ash yards are lined with a geo membrane to prevent leaching. HUBCO aims to improve coal ash management by promoting the reuse of fly ash in construction applications such as cement and roadworks, and forming partnerships with third parties for ash recycling. These initiatives can significantly lower disposal and waste management costs, reduce long-term environmental liabilities and remediation risks, and potentially generate new revenue streams.
Opportunity Type: Workforce Health and Safety Time Horizon: Short to Medium term Likelihood: Very Likely Magnitude of Impact: Medium Potential Financial Impact: Medium	HUBCO aims to further strengthen workforce health and safety by deploying digitized safety monitoring systems, investing in regular worker training and upskilling programs, and enhancing medical readiness at remote sites. HUBCO has signed an MOU with SECMC and EPTL at Thar for mutual aid in case of fire-related or medical emergencies. These initiatives help reduce insurance premiums and medical expenses, minimize lost workdays, and improve operational continuity. They also contribute to lower employee turnover and associated training costs.

Table 25. Sustainability opportunities

GRI Content Index

Statement of use	The Hub Power Company Limited has reported the information cited in this GRI content index for the period July 1, 2024 to June 30, 2025 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	5
	2-2 Entities included in the organization's sustainability reporting	14
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	314
	2-5 External assurance	5, 57
	2-6 Activities, value chain and other business relationships	25-26
	2-7 Employees	16, 138
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	2-9 Governance structure and composition	24, 43
	2-10 Nomination and selection of the highest governance body	34
	2-11 Chair of the highest governance body	17
	2-12 Role of the highest governance body in overseeing the management of impacts	34
	2-13 Delegation of responsibility for managing impacts	34
	2-14 Role of the highest governance body in sustainability reporting	34
	2-15 Conflicts of interest	73
	2-16 Communication of critical concerns	74
	2-17 Collective knowledge of the highest governance body	34
	2-18 Evaluation of the performance of the highest governance body	34
	2-19 Remuneration policies	43
	2-20 Process to determine remuneration	43

	2-21 Annual total compensation ratio	--
	2-22 Statement on sustainable development strategy	101
	2-23 Policy commitments	43, 103
	2-24 Embedding policy commitments	34
	2-25 Processes to remediate negative impacts	74
	2-26 Mechanisms for seeking advice and raising concerns	74
	2-27 Compliance with laws and regulations	74
	2-28 Membership associations	--
	2-29 Approach to stakeholder engagement	80
	2-30 Collective bargaining agreements	--
GRI 3: Material Topics 2021	3-1 Process to determine material topics	103
	3-2 List of material topics	103
	3-3 Management of material topics	103-115
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	16
	201-2 Financial implications and other risks and opportunities due to climate change	116
	201-3 Defined benefit plan obligations and other retirement plans	240
	201-4 Financial assistance received from government	74
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	--
	202-2 Proportion of senior management hired from the local community	--
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	120
	203-2 Significant indirect economic impacts	42
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	110
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	71

	205-2 Communication and training about anti-corruption policies and procedures	71
	205-3 Confirmed incidents of corruption and actions taken	71
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	74
GRI 207: Tax 2019	207-1 Approach to tax	82
	207-2 Tax governance, control, and risk management	205
	207-3 Stakeholder engagement and management of concerns related to tax	82
	207-4 Country-by-country reporting	15
GRI 301: Materials 2016	301-1 Materials used by weight or volume	109
	301-2 Recycled input materials used	109
GRI 302: Energy 2016	302-1 Energy consumption within the organization	105-106
	302-2 Energy consumption outside of the organization	106
	302-3 Energy intensity	105
	302-4 Reduction of energy consumption	106
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	107
	303-2 Management of water discharge-related impacts	107
	303-3 Water withdrawal	108
	303-4 Water discharge	108
	303-5 Water consumption	108
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	110
	304-2 Significant impacts of activities, products and services on biodiversity	110
	304-3 Habitats protected or restored	110
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	110
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	105

	305-2 Energy indirect (Scope 2) GHG emissions	105
	305-3 Other indirect (Scope 3) GHG emissions	--
	305-4 GHG emissions intensity	104
	305-5 Reduction of GHG emissions	105
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	107
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	108-109
	306-2 Management of significant waste-related impacts	108-109
	306-3 Waste generated	108
	306-4 Waste diverted from disposal	108-109
	306-5 Waste directed to disposal	108-109
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	109
	308-2 Negative environmental impacts in the supply chain and actions taken	109
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	138
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	--
	401-3 Parental leave	138
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	111
	403-2 Hazard identification, risk assessment, and incident investigation	111
	403-3 Occupational health services	111
	403-4 Worker participation, consultation, and communication on occupational health and safety	111
	403-5 Worker training on occupational health and safety	111
	403-6 Promotion of worker health	111

	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	111
	403-8 Workers covered by an occupational health and safety management system	113
	403-9 Work-related injuries	113
	403-10 Work-related ill health	113
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	139
	404-2 Programs for upgrading employee skills and transition assistance programs	135
	404-3 Percentage of employees receiving regular performance and career development reviews	139
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	72, 137
	405-2 Ratio of basic salary and remuneration of women to men	139
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	--
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	47
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	47
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous people	74
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	120
	413-2 Operations with significant actual and potential negative impacts on local communities	74
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	109
GRI 415: Public Policy 2016	415-1 Political contributions	74

GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	26
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	74
	417-3 Incidents of non-compliance concerning marketing communications	74
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	84

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Strategy and decision-making	26, 95-96, 101
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Sustainability Accounting Standards Board - Content Index

Code	Metrics	Unit of Measure	Location/Reference
Sustainability Disclosure Metrics			
IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	Metric tonnes (t) CO ₂ -e, Percentage (%)	N/A
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Metric tonnes (t) CO ₂ -e	105
IF-EU-110a.3	Discussion of strategy to manage Scope 1 emissions, targets, and performance	n/a	101, 124
IF-EU-120a.1	Air emissions of NO _x (excluding N ₂ O), SO _x , PM ₁₀ , Pb, and Hg; percentage near dense population areas	Metric tonnes (t), Percentage (%)	106-107
IF-EU-140a.1	(1) Total water withdrawn, (2) total consumed; % in high water stress areas	Thousand cubic metres (m ³), Percentage (%)	107-108
IF-EU-140a.2	Number of non-compliance incidents with water quality regulations	Number	107-108
IF-EU-140a.3	Description of water risk and mitigation strategies	n/a	107-108
IF-EU-150a.1	(1) Amount of coal combustion products generated, (2) % recycled	Metric tonnes (t), Percentage (%)	109
IF-EU-150a.3	Description of CCPs management policies and procedures	n/a	108-109
IF-EU-240a.4	Impact of external factors on customer affordability	n/a	26
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IF-EU-550a.1	Number of non-compliance incidents with physical or cybersecurity standards	Number	84
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IF-EU-000.A	Number of: (1) residential, (2) commercial, (3) industrial customers served	Number	N/A
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) other retail, (5) wholesale	Megawatt hours (MWh)	N/A
IF-EU-000.D	Total electricity generated, % by energy source, % in regulated markets	Megawatt hours (MWh), Percentage (%)	106
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Key ESG Performance Indicators – SECP

Environment

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Emissions Intensity	- Total GHG emissions per output scaling factor (e.g. revenues, sales, units produced) - Total non-GHG emissions per output scaling factor	105
Energy Usage	- Total amount of energy directly consumed - Total amount of energy indirectly consumed	105
Energy Intensity	Total direct energy usage per output scaling factor	105
Energy Mix	- Percentage: Energy usage by generation type - Disclose the energy consumption from renewable sources as a percentage of total energy consumption	105
Water Usage	- Total amount of water consumed - Total amount of water reclaimed	107-108
Environmental Operations	- Does your company follow a formal Environmental Policy? Yes, No - Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No - Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period. - Does your company use a recognized energy management system? Yes/No	103
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	34
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	34
Sustainable Sourcing	Does your company have a policy and procedures in place for sustainable sourcing? (Yes/No)	108
Climate Risk Mitigation and Adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices.	116

Metric	Measurement Annual, unless specified	Location
CEO Pay Ratio	- CEO total compensation to median Full-time Equivalent (FTE) total compensation - Does your company report this metric in regulatory filings? Yes/No	N/A
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	139
Employee Turnover	- Percentage: Year-over-year change for full-time employees - Percentage: Year-over-year change for part-time employees - Percentage: Year-over-year change for contractors and/or consultants	138
Gender Diversity	- Percentage: Total enterprise headcount held by men and women - Percentage: Entry- and mid-level positions held by men and women - Percentage: Senior- and executive-level positions held by men and women	138
Temporary Worker Ratio	- Percentage: Total enterprise headcount held by part-time employees - Percentage: Total enterprise headcount held by contractors and/or consultants	138
Non-Discrimination	- Does your company have a sexual harassment and/or non-discrimination, diversity, inclusion policy? Yes/No - Is there a confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence? Yes/ No - Percentage: differently-abled women and men in the workforce	47, 74, 130
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	111
Child & Forced Labor	- Does your company follow a child and/or forced labor policy? Yes/No - If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	47
Corporate Social Responsibility	Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated to these	118-120
Employee training and Succession Planning	- Number of training sessions held on the following. Please also mention the Number of employees and workers trained on these: -Skill Upgradation -Soft Skills - Health and Safety Measures - Percentage: Women and men promoted during the year	135, 139

Metric	Measurement Annual, unless specified	Location
Human Rights	- Does your company follow a human rights policy? Yes/No - If yes, does your human rights policy also cover suppliers and vendors? Yes/No	N/A
Working Conditions	- Number of complaints made by employees regarding working conditions during the reporting period. - Number of complaints regarding working conditions resolved.	47
Injury Rate	- Percentage: Frequency of injury events relative to total workforce time - Number of safety-related incidents during the reporting year and Number of lost production hours as a result - Disclose the percentage of employees/workers covered with Health and Safety Insurance	113
Marketing	Do you have responsible gender sensitive marketing communication policy or a commitment embedded in larger corporate policy? Yes/No	N/A

Governance

Metric	Measurement Annual, unless specified	Location
Board Diversity	- Percentage: Total board seats occupied by men and women - Percentage: Committee chairs occupied by men and women	72
Board Independence	- Does company prohibit CEO from serving as board chair? Yes/No - Percentage: Total board seats occupied by independents	43
Board competence	Percentage of ESG-certified board members.	N/A
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	N/A
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
Supplier Code of Conduct	- Are your vendors or suppliers required to follow a Code of Conduct? Yes/No - If yes, what percentage of your suppliers have formally certified their compliance with the code?	N/A

Metric	Measurement Annual, unless specified	Location
Ethics & Anti-Corruption	Does your company follow an Ethics and/or Anti-Corruption policy? If yes, what percentage of your workforce has formally certified its compliance with the policy?	71
Data Privacy	- Does your company follow a Data Privacy policy? Yes/No - Has your company taken steps to comply with general data protection rules/ framework? Yes/No	84
Sustainability Reporting	- Does your company publish a sustainability report? Yes/No - Is sustainability data included in your regulatory filings? Yes/No	39
Disclosure Practices	- Does your company provide sustainability data in line with any sustainability reporting frameworks? Yes/No - Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No - Does your company set targets and report progress on the UN SDGs? Yes/No	39, 118
External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	N/A



FINANCIAL PERFORMANCE



HUBCO Financial Ratios

		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross Profit margin	%	68.57	73.27	57.60	37.42	63.16	65.01
Net Profit margin	%	144.44	81.57	69.51	33.78	66.37	36.94
Operating cost to turnover	%	31.43	26.73	42.40	62.58	36.84	34.99
Fuel cost to turnover	%	6.27	-	20.40	51.29	11.22	16.30
EBITDA Margin to Sales	%	179.35	114.36	95.88	49.84	93.77	80.31
Operating Leverage Ratio	%	72.19	90.13	90.60	96.65	88.91	81.24
Return on Equity	%	25.43	50.09	50.34	36.30	43.92	27.13
Return on Capital Employed	%	28.03	52.37	45.61	31.86	33.79	30.28
Liquidity Ratios							
Current Ratio	Times	1.25	1.20	1.04	1.19	1.24	1.09
Quick / Acid Test Ratio	Times	1.21	1.16	1.00	1.15	1.18	1.00
Cash to Current Liabilities	Times	0.058	0.032	0.008	0.006	0.004	0.006
Cash Flow from Operations to Sales	%	290.58	35.49	70.08	33.60	22.24	1.51
Working capital	Rs. in million	3,851	14,795	2,980	13,329	18,029	8,237
Cashflow to capital expenditure	%	0.26	0.26	1.06	0.08	0.40	19.28
Activity / Turnover Ratios							
No. of Days in Inventory	Days	113	74	39	22	140	207
Inventory Turnover	Times	3.24	4.92	9.24	16.88	2.61	1.77
No. of Days in Receivables	Days	869	520	484	394	832	939
Receivables Turnover	Times	0.42	0.70	0.75	0.93	0.44	0.39
No. of Days in Payables	Days	N/A	N/A	965	336	N/A	3,002
Payables Turnover	Times	N/A	N/A	0.38	1.09	N/A	0.12
Operating Cycle	Days	N/A	N/A	(442)	80	N/A	(1,856)
Total Asset Turnover	Times	0.14	0.26	0.29	0.40	0.20	0.17
Fixed Assets Turnover	Times	2.83	7.12	5.91	6.74	3.15	2.27
Working Capital Turnover	Times	3.43	2.81	14.94	4.69	1.79	3.34
Investment / Market Ratios							
Earnings Per Share	Rs.	14.71	26.12	23.85	16.29	16.52	7.84
Weighted Average No. of Ordinary Shares	No. in million	1,297	1,297	1,297	1,297	1,297	1,297
Price Earning Ratio	Times	9.37	6.24	2.92	4.18	4.82	9.25
Price to Book Ratio	Times	2.34	2.87	1.47	1.44	1.88	2.20
Dividend Yield	%	9.80	10.73	34.49	9.53	15.06	-
Dividend Payout Ratio	Times	0.92	0.67	1.01	0.40	0.73	-
Dividend Cover Ratio	Times	1.09	1.49	0.99	2.51	1.38	-
Cash Dividend Per Share - Interim	Rs.	5.00	11.50	24.00	6.50	7.00	-
Cash Dividend per share - Final	Rs.	8.50	6.00	-	-	5.00	-
Cash Dividend per share - Total	Rs.	13.50	17.50	24.00	6.50	12.00	-
Market Value Per Share							
Year end	Rs.	137.81	163.08	69.58	68.17	79.67	72.50
High	Rs.	166.69	165.14	79.03	81.96	91.32	103.21
Low	Rs.	97.36	74.80	57.75	63.03	70.31	57.40
Breakup Value /(Net assets/share)	Rs.	58.78	56.90	47.38	47.40	42.34	32.90
Capital Structure Ratios							
Financial Leverage Ratio	Times	0.00	0.20	0.39	0.52	0.64	0.82
Weighted Average Cost of Debt	%	14.18	23.27	15.99	10.87	9.08	14.55
Debt to Equity Ratio	Ratio	0:100	17:83	28:72	34:66	39:61	45:55
Interest Cover Ratio	Times	7.14	4.27	4.70	4.47	4.91	2.14
No. of Ordinary Shares	No. in million	1297	1,297	1,297	1,297	1,297	1,297
Non-Financial Ratios							
Spares inventory as a % of Total assets	%	0.47	0.41	0.56	0.66	0.86	1.05
Maintenance cost as a % of Operating Expenses	%	20.23	9.87	9.40	3.35	11.09	18.76

Dupont Analysis

Ratios	2025	2024	Ratios
Tax Burden / Efficiency (Net Income/PBT)	95.83	97.05	Decreased due to lower profit because of PPA termination.
Interest Burden / Efficiency (PBT/EBIT)	85.99	76.55	Increased mainly due to lower finance cost due to repayment of long-term and short-term borrowings.
Operating Income Margin (EBIT/Sales)	175.27	109.79	Increased mainly due to lower revenues and higher dividend income from subsidiaries and associates during the year.
Asset Turnover (Sales/Assets)	0.14	0.26	Decreased mainly due to lower turnover during the year.
Leverage Ratio (Assets/Equity)	1.20	2.13	Declined due to lower asset due to settlement of trade debts due to PPA termination.
Return on Equity (Net Income/Equity)	25.43	50.09	Decreased due to early termination of PPA.

Horizontal and Vertical Analysis of Statement of Profit or Loss

Horizontal Analysis	2025 Rs. (Millions)	25 Vs. 24 %	2024 Rs. (Millions)	24 Vs. 23 %	2023 Rs. (Millions)
Turnover	13,210	(68.20)	41,534	(6.70)	44,516
Operating costs	(4,152)	(62.60)	(11,101)	(41.19)	(18,875)
Gross Profit	9,058	(70.24)	30,433	18.69	25,641
Other income	15,450	(7.04)	16,619	3.70	16,026
General and administration expenses	(548)	(58.55)	(1,323)	72.49	(767)
Finance costs	(3,243)	(69.67)	(10,691)	23.17	(8,680)
Other operating expenses	(807)	526	(129)	29	(100)
Taxation	(829)	(19.47)	(1,030)	(12.56)	(1,178)
Profit for the year	19,079	(43.68)	33,879	9.49	30,942

Vertical Analysis	2025 Rs. (Millions)	% of turnover	2024 Rs. (Millions)	% of turnover	2023 Rs. (Millions)
Turnover	13,210	100.00	41,534	100.00	44,516
Operating costs	(4,152)	(31.43)	(11,101)	(26.73)	(18,875)
Gross Profit	9,058	68.57	30,433	73.27	25,641
Other income	15,450	116.96	16,619	40.01	16,026
General and administration expenses	(548)	(4.15)	(1,323)	(3.19)	(767)
Finance costs	(3,243)	(24.55)	(10,691)	(25.74)	(8,680)
Other operating expenses	(807)	(6.11)	(129)	(0.31)	(100)
Taxation	(829)	(6.28)	(1,030)	(2.48)	(1,178)
Profit for the year	19,079	144.44	33,879	81.57	30,942

23 Vs. 22 %	2022 Rs. (Millions)	22 Vs. 21 %	2021 Rs. (Millions)	21 Vs. 20 %	2020 Rs. (Millions)	20 Vs. 19 %
(28.82)	62,544	93.68	32,292	17.32	27,524	(24.07)
(51.78)	(39,140)	228.99	(11,897)	23.54	(9,630)	(60.72)
9.56	23,404	14.75	20,395	13.98	17,894	52.51
136.83	6,767	(26.45)	9,200	190.96	3,162	26.08
37.21	(559)	(29.15)	(789)	4.23	(757)	(13.19)
32.48	(6,552)	13.51	(5,772)	(38.56)	(9,395)	89.38
(70)	(338)	(27)	(460)	197	(155)	17
(26.10)	(1,594)	39.70	(1,141)	96.05	(582)	144.54
46.45	21,128	(1.42)	21,433	110.81	10,167	26.50

% of turnover	2022 Rs. (Millions)	% of turnover	2021 Rs. (Millions)	% of turnover	2020 Rs. (Millions)	% of turnover
100.00	62,544	100.00	32,292	100.00	27,524	100.00
(42.40)	(39,140)	(62.58)	(11,897)	(36.84)	(9,630)	(34.99)
57.60	23,404	37.42	20,395	63.16	17,894	65.01
36.00	6,767	10.82	9,200	28.49	3,162	11.49
(1.72)	(559)	(0.89)	(789)	(2.44)	(757)	(2.75)
(19.50)	(6,552)	(10.48)	(5,772)	(17.87)	(9,395)	(34.13)
(0.22)	(338)	(0.54)	(460)	(1.42)	(155)	(0.56)
(2.65)	(1,594)	(2.55)	(1,141)	(3.53)	(582)	(2.11)
69.51	21,128	33.78	21,433	66.37	10,167	36.94

Statement of Financial Position

Horizontal Analysis

Horizontal Analysis	2025 Rs. (Millions)	25 Vs. 24 %	2024 Rs. (Millions)	24 Vs. 23 %
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Property, Plant and Equipments	4,449	(9.22)	4,901	(27.50)
Intangibles	-	(100.00)	1	-
Long term investments	64,806	1.27	63,993	1.86
Long term loan to subsidiary	3,267	100	-	-
Long term deposits and prepayments	8	(45.04)	14	7.69
	72,530	5.25	68,909	(6.18)
CURRENT ASSETS				
Stores, spares and consumables	433	(32.13)	638	(24.94)
Stock-in-trade	301	(86.71)	2,263	0.44
Trade debts	-	(100.00)	62,917	14.22
Loan and advances	34	(59.91)	86	72.00
Prepayments and other receivables	17,359	(14.15)	20,221	3.40
Cash and bank balances	876	(62.81)	2,356	303.42
	19,003	(78.52)	88,481	12.89
Non-current asset held for sale	-	-	-	-
TOTAL ASSETS	91,533	(41.84)	157,390	3.67
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVE				
Share Capital				
Authorised	17,000	-	17,000	-
Issued, subscribed and paid-up	12,972	-	12,972	-
Capital Reserve				
Share Premium	5,600	-	5,600	-
Revenue Reserve				
Unappropriated profit	57,681	4.42	55,241	28.81
TOTAL EQUITY	76,253	3.31	73,813	20.11
NON-CURRENT LIABILITIES				
Long term loans	-	(100.00)	9,737	(34.19)
Long term lease liabilities	128	(16.83)	154	(10.98)
CURRENT LIABILITIES				
Trade and other payables	8,065	(79.04)	38,477	4.76
Provision For Taxation	2,518	6.32	2,368	43.17
Unclaimed dividend	304	31.52	231	8.96
Unpaid dividend	175	(19.35)	217	68.22
Interest/mark-up accrued	15	(98.05)	752	(42.33)
Short term borrowings	4,051	(84.75)	26,568	0.56
Current maturity of long term loans	-	(100.00)	5,052	(43.47)
Current maturity of long term lease liabilities	26	22.36	21	31.25
	15,153	(79.44)	73,686	(2.27)
TOTAL EQUITY AND LIABILITIES	91,533	(41.84)	157,390	3.67

2023 Rs. (Millions)	23 Vs. 22 %	2022 Rs. (Millions)	22 Vs. 21 %	2021 Rs. (Millions)	21 Vs. 20 %	2020 Rs. (Millions)	20 Vs. 19 %

6,760	(18.69)	8,314	(18.94)	10,257	(15.55)	12,146	(11.13)
1	(50.00)	2	(66.67)	6	(76.92)	26	(50.00)
62,825	4.15	60,320	5.28	57,295	1.32	56,549	16.95
3,846	100.00	1,489	100.00	-	-	-	-
13	44.44	9	(59.09)	22	-	22	-
73,445	4.72	70,134	3.78	67,580	(1.69)	68,743	10.70

850	(16.34)	1,016	(26.27)	1,378	(19.98)	1,722	(6.97)
2,253	23.05	1,831	(34.75)	2,806	(55.59)	6,319	38.09
55,084	(12.45)	62,919	(12.86)	72,206	(3.77)	75,031	12.61
50	6.38	47	(93.15)	686	328.75	160	(78.14)
19,557	10.66	17,673	17.42	15,051	25.06	12,035	14.27
584	50.52	388	28.90	301	(41.10)	511	(93.01)
78,378	(6.55)	83,874	(9.25)	92,428	(3.50)	95,778	4.52

-	-	-	-	-	-	-	-
151,823	(1.42)	154,008	(3.75)	160,008	(2.74)	164,521	7.02

17,000	-	17,000	-	17,000	-	17,000	-
12,972	-	12,972	-	12,972	-	12,972	-
5,600	-	5,600	-	5,600	-	5,600	-
42,884	(0.07)	42,916	18.05	36,353	50.79	-	-
61,456	(0.05)	61,488	11.95	54,925	28.69	42,680	32
14,796	(32.08)	21,786	(28.38)	30,420	(10.55)	34,006	55
173	(8.47)	189	(28.41)	264	(10.20)	294	100

36,727	14.25	32,145	(23.13)	41,817	(25.30)	55,981	(0.52)
1,654	69.12	978	-	-	-	-	-
212	(4.93)	223	(2.19)	228	9.62	208	9.47
129	12.17	115	150.00	46	4.55	44	(45.00)
1,304	53.23	851	34.65	632	(21.88)	809	42.43
26,419	0.95	26,170	(3.32)	27,069	(9.51)	29,914	(27.24)
8,937	(11.08)	10,051	119.60	4,577	714.41	562	(57.26)
16	33.33	12	(60.00)	30	30.43	23	100.00
75,398	6.88	70,545	(5.18)	74,399	(15.01)	87,541	(12.05)
151,823	(1.42)	154,008	(3.75)	160,008	(2.74)	164,521	7.02

Statement of Financial Position

Vertical Analysis

Vertical Analysis	2025 Rs. (Millions)	%	2024 Rs. (Millions)	%
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Property, Plant and Equipments	4,449	4.86	4,901	3.11
Intangibles	-	-	1	-
Long term investments	64,806	70.80	63,993	40.66
Long term loan to subsidiary	3,267	3.57	-	-
Long term deposits and prepayments	8	0.01	14	0.01
	72,530	79.24	68,909	43.78
CURRENT ASSETS				
Stores, spares and consumables	433	0.47	638	0.41
Stock-in-trade	301	0.33	2,263	1.44
Trade debts	-	-	62,917	39.98
Loan and advances	34	0.04	86	0.05
Prepayments and other receivables	17,359	18.96	20,221	12.85
Cash and bank balances	876	0.96	2,356	1.50
	19,003	20.76	88,481	56.22
Non-current asset held for sale	-	-	-	-
TOTAL ASSETS	91,533	100.00	157,390	100.00
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVE				
Share Capital				
Authorised	17,000	-	17,000	-
Issued, subscribed and paid-up	12,972	14.17	12,972	8.24
Capital Reserve				
Share Premium	5,600	6.12	5,600	3.56
Revenue Reserve				
Unappropriated profit	57,681	63.02	55,241	35.10
TOTAL EQUITY	76,253	83.31	73,813	46.90
NON-CURRENT LIABILITIES				
Long term loans	-	-	9,737	6.19
Long term lease liabilities	128	0.14	154	0.10
CURRENT LIABILITIES				
Trade and other payables	8,065	8.81	38,477	24.45
Provision For Taxation	2,518	2.75	2,368	1.50
Unclaimed dividend	304	0.33	231	0.15
Unpaid dividend	175	0.19	217	0.14
Interest/mark-up accrued	15	0.02	752	0.48
Short term borrowings	4,051	4.43	26,568	16.88
Current maturity of long term loans	-	-	5,052	3.21
Current maturity of long term lease liabilities	26	0.03	21	0.01
	15,153	16.55	73,686	46.82
TOTAL EQUITY AND LIABILITIES	91,533	100.00	157,390	100.00

2023 Rs. (Millions)	%	2022 Rs. (Millions)	%	2021 Rs. (Millions)	%	2020 Rs. (Millions)	%

6,760	4.45	8,314	5.40	10,257	6.41	12,146	7.38
1	-	2	-	6	-	26	0.02
62,825	41.38	60,320	39.17	57,295	35.81	56,549	34.37
3,846	100.00	1,489	0.97	-	-	-	-
13	0.01	9	0.01	22	0.01	22	0.01
73,445	48.38	70,134	45.54	67,580	42.24	68,743	41.78

850	0.56	1,016	0.66	1,378	0.86	1,722	1.05
2,253	1.48	1,831	1.19	2,806	1.75	6,319	3.84
55,084	36.28	62,919	40.85	72,206	45.13	75,031	45.61
50	0.03	47	0.03	686	0.43	160	0.10
19,557	12.88	17,673	11.48	15,051	9.41	12,035	7.32
584	0.38	388	0.25	301	0.19	511	0.31
78,378	51.62	83,874	54.46	92,428	57.76	95,778	58.22

-	-	-	-	-	-	-	-
151,823	100.00	154,008	100.00	160,008	100.00	164,521	100.00

17,000	-	17,000	-	17,000	-	17,000	-
12,972	8.54	12,972	8.42	12,972	8.11	12,972	7.88
5,600	3.69	5,600	3.64	5,600	3.50	5,600	3.40
42,884	28.25	42,916	27.87	36,353	22.72	24,108	14.6
61,456	40.48	61,488	39.93	54,925	34.33	42,680	25.94
14,796	9.75	21,786	14.15	30,420	19.01	34,006	20.67
173	0.11	189	0.12	264	0.16	294	0.18

36,727	24.19	32,145	20.87	41,817	26.13	55,981	34.03
1,654	1.09	978	0.64	-	-	-	-
212	0.14	223	0.14	228	0.14	208	0.13
129	0.08	115	0.07	46	0.03	44	0.03
1,304	0.86	851	0.55	632	0.39	809	0.49
26,419	17.40	26,170	16.99	27,069	16.92	29,914	18.18
8,937	5.89	10,051	6.53	4,577	2.86	562	0.34
16	0.01	12	0.01	30	0.02	23	0.01
75,398	49.66	70,545	45.81	74,399	46.50	87,541	53.21
151,823	100.00	154,008	100.00	160,008	100.00	164,521	100.00

Six Years Statement of Profit or Loss at a glance

	2025 Rs. (Millions)	2024 Rs. (Millions)	2023 Rs. (Millions)	2022 Rs. (Millions)	2021 Rs. (Millions)	2020 Rs. (Millions)
Turnover	13,210	41,534	44,516	62,544	32,292	27,524
Operating costs	(4,152)	(11,101)	(18,875)	(39,140)	(11,897)	(9,630)
Gross Profit	9,058	30,433	25,641	23,404	20,395	17,894
Other income	15,450	16,619	16,026	6,767	9,200	3,162
General and administration expenses	(548)	(1,323)	(767)	(559)	(789)	(757)
Finance costs	(3,243)	(10,691)	(8,680)	(6,552)	(5,772)	(9,395)
Other operating expenses	(807)	(129)	(100)	(338)	(460)	(155)
Taxation	(829)	(1,030)	(1,178)	(1,594)	(1,141)	(582)
Profit for the year	19,079	33,879	30,942	21,128	21,433	10,167
Basic and diluted earnings per share (Rupees)	14.71	26.12	23.85	16.29	16.52	7.84
Weighted Average No. of Ordinary Shares	1,297	1,297	1,297	1,297	1,297	1,297

	2025 Rs. (Millions)	2024 Rs. (Millions)	2023 Rs. (Millions)	2022 Rs. (Millions)	2021 Rs. (Millions)	2020 Rs. (Millions)
EBITDA						
Profit after tax for the year	19,079	33,879	30,942	21,128	21,433	10,167
Finance costs	3,243	10,691	8,680	6,552	5,772	9,395
Depreciation	539	1,898	1,882	1,890	1,914	1,931
Amortization	0	1	1	6	20	30
Taxation	829	1,030	1,178	1,594	1,141	582
EBITDA	23,691	47,498	42,683	31,170	30,280	22,105

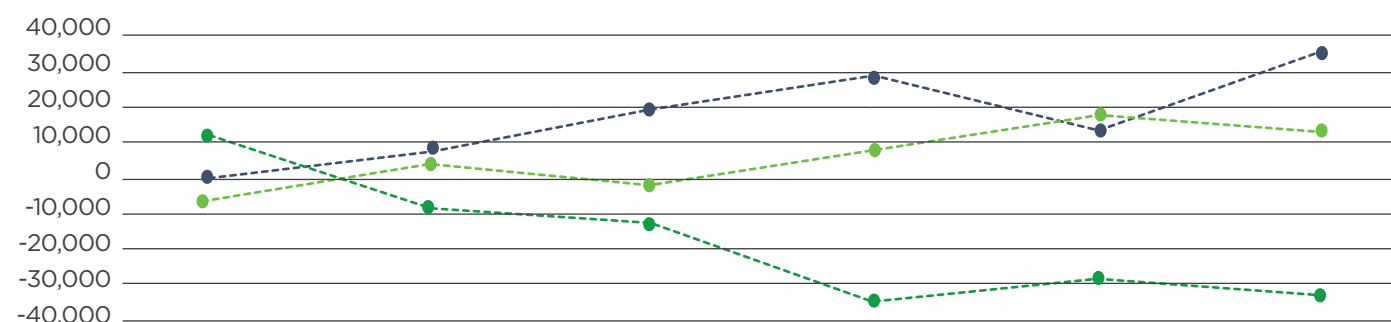
	2025 Rs. (Millions)	2024 Rs. (Millions)	2023 Rs. (Millions)	2022 Rs. (Millions)	2021 Rs. (Millions)	2020 Rs. (Millions)
EBIT						
Profit after tax for the year	19,079	33,879	30,942	21,128	21,433	10,167
Finance costs	3,243	10,691	8,680	6,552	5,772	9,395
Taxation	829	1,030	1,178	1,594	1,141	582
EBIT	23,152	45,600	40,800	29,274	28,346	20,144

Six Years Statement of Financial Position at a glance

	2025 Rs. (Millions)	2024 Rs. (Millions)	2023 Rs. (Millions)	2022 Rs. (Millions)	2021 Rs. (Millions)	2020 Rs. (Millions)
ASSETS						
NON-CURRENT ASSETS						
Fixed Assets						
Property, plant and equipment	4,449	4,901	6,760	8,314	10,257	12,146
Intangibles	-	1	1	2	6	26
Long term investments	64,806	63,993	62,825	60,320	57,295	56,549
Long term loan to subsidiary	3,266.57	-	3,846	1,489	-	-
Long term deposits	8	14	13	9	22	22
	72,530	68,909	73,445	70,134	67,580	68,743
CURRENT ASSETS						
Stores, spares and consumables	433	638	850	1,016	1,378	1,722
Stock-in-trade	301	2,263	2,253	1,831	2,806	6,319
Trade debts	-	62,917	55,084	62,919	72,206	75,031
Loans and advances	34	87	50	47	686	160
Prepayments and other receivables	17,359	20,220	19,557	17,673	15,051	12,035
Cash and bank balances	876	2,356	584	388	301	511
	19,003	88,481	78,378	83,874	92,428	95,778
TOTAL ASSETS	91,533	157,390	151,823	154,008	160,008	164,521
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVE						
Share Capital						
Authorised	17,000	17,000	17,000	17,000	17,000	17,000
Issued, subscribed and paid-up	12,972	12,972	12,972	12,972	12,972	12,972
Capital Reserve						
Share premium	5,600	5,600	5,600	5,600	5,600	5,600
Revenue Reserve						
Unappropriated profit	57,681	55,241	42,884	42,916	36,353	24,108
TOTAL EQUITY	76,253	73,813	61,456	61,488	54,925	42,680
NON-CURRENT LIABILITIES						
Long term loans	-	9,737	14,796	21,786	30,420	34,006
Long term lease liabilities	128	154	173	189	264	294
	128	9,891	14,969	21,975	30,684	34,300
CURRENT LIABILITIES						
Trade and other payables	8,065	38,477	36,727	32,145	41,817	55,981
Provision For Tax	2,518	2,368	1,654	978	-	-
Unclaimed dividend	304	231	211	223	228	208
Unpaid dividend	175	217	129	115	46	44
Interest / mark-up accrued	15	752	1,304	851	632	809
Short term borrowings	4,051	26,568	26,420	26,170	27,069	29,914
Current maturity of long term loans	-	5,052	8,937	10,051	4,577	562
Current maturity of long term lease liabilities	26	21	16	12	30	23
	15,153	73,686	75,398	70,545	74,399	87,541
COMMITMENTS AND CONTINGENCIES						
TOTAL EQUITY AND LIABILITIES	91,533	157,390	151,823	154,008	160,008	164,521

Summary of Six Years Cashflow at a Glance

	2025 Rs. (Millions)	2024 Rs. (Millions)	2023 Rs. (Millions)	2022 Rs. (Millions)	2021 Rs. (Millions)	2020 Rs. (Millions)
Opening	(18,212)	(19,835)	(21,281)	(26,768)	(21,402)	(33,799)
Net Cashflow generated from operating activities	38,384	14,740	31,195	21,015	7,180	415
Net Cashflow generated from / (used in) investing activities	14,991	18,487	8,097	1,889	(4,223)	(7,221)
Net Cashflow (used in) / generated from financing activities	(36,791)	(31,603)	(37,846)	(13,638)	(8,769)	11,203
Closing	(1,627)	(18,212)	(19,835)	(21,281)	(26,768)	(29,402)



- Net Cashflow generated from operating activities
- Net Cashflow generated from / (used in) investing activities
- Net Cashflow (used in) generated from financing activities

COMMENTS ON UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

The decrease in turnover by 68% compared to the last year is mainly due to the termination of PPA.

The decrease in operating cost by 63% compared to the last year is mainly due to the termination of PPA.

The decrease in other income was mainly due to of lower dividend income from subsidiaries and associates.

Decrease in finance cost was mainly due to prepayments of short-term and long-term loans.

The current year net profit decreased by 44% compared to the last year resulting in decrease in earnings per share from Rs. 26.12 to Rs. 14.71 mainly due to termination of PPA.

COMMENTS ON UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

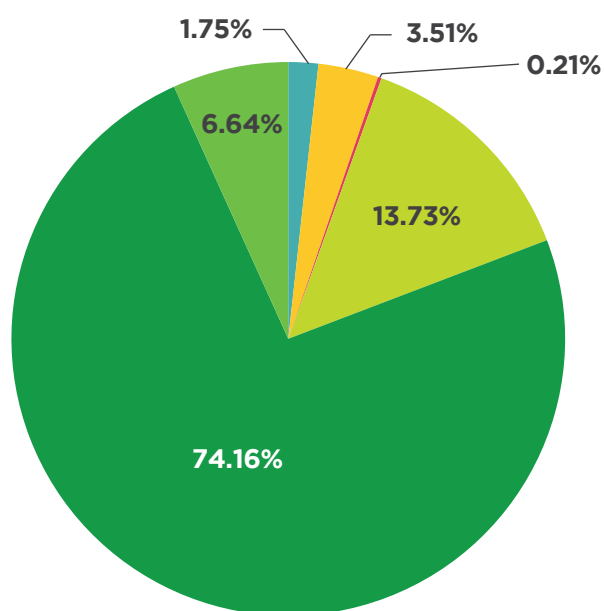
During the year, the Company received settlement of all outstanding liabilities owed by the Power Purchaser.

Since the PPA has been early terminated, the Company decided to settle all long term loans.

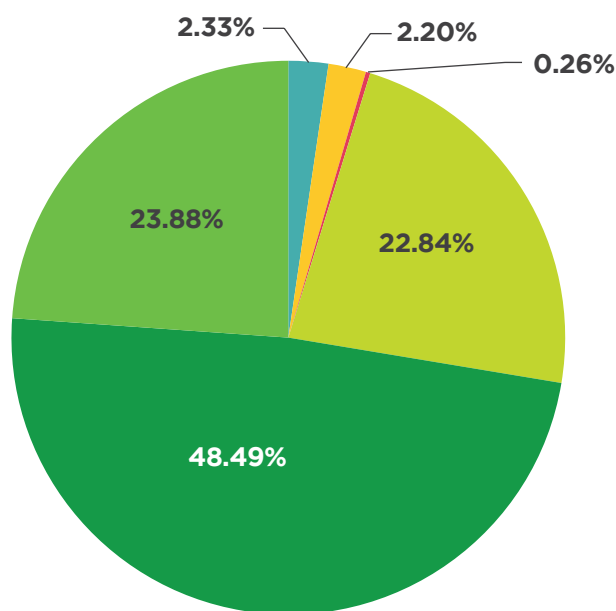
Statement of Value Addition

	2025 Rs. (Millions)	%	2024 Rs. (Millions)	%
Wealth Created				
Total Revenue inclusive of sales tax and other income	28,659.09	121.37	58,152.99	124.23
Less: Operating cost & other general expenses	(5,045)	(21.37)	(11,344)	(24.23)
	23,614	100.00	46,809	100.00
Wealth Distributed				
To employees				
Salaries, wages and other benefits	412	1.75	1,089	2.33
To government				
Sales tax	-	-	-	-
Income tax	829	3.51	1,030	2.20
To society				
Donation / Corporate Social Responsibility	50	0.21	120	0.26
To providers of finance as financial charges	3,243	13.73	10,691	22.84
Dividend to Shareholders	17,512	74.16	22,700	48.49
Wealth Retained	1,568	6.64	11,179	23.88
	23,614	100.00	46,809	100.00

**Wealth Distribution
2025**



**Wealth Distribution
2024**

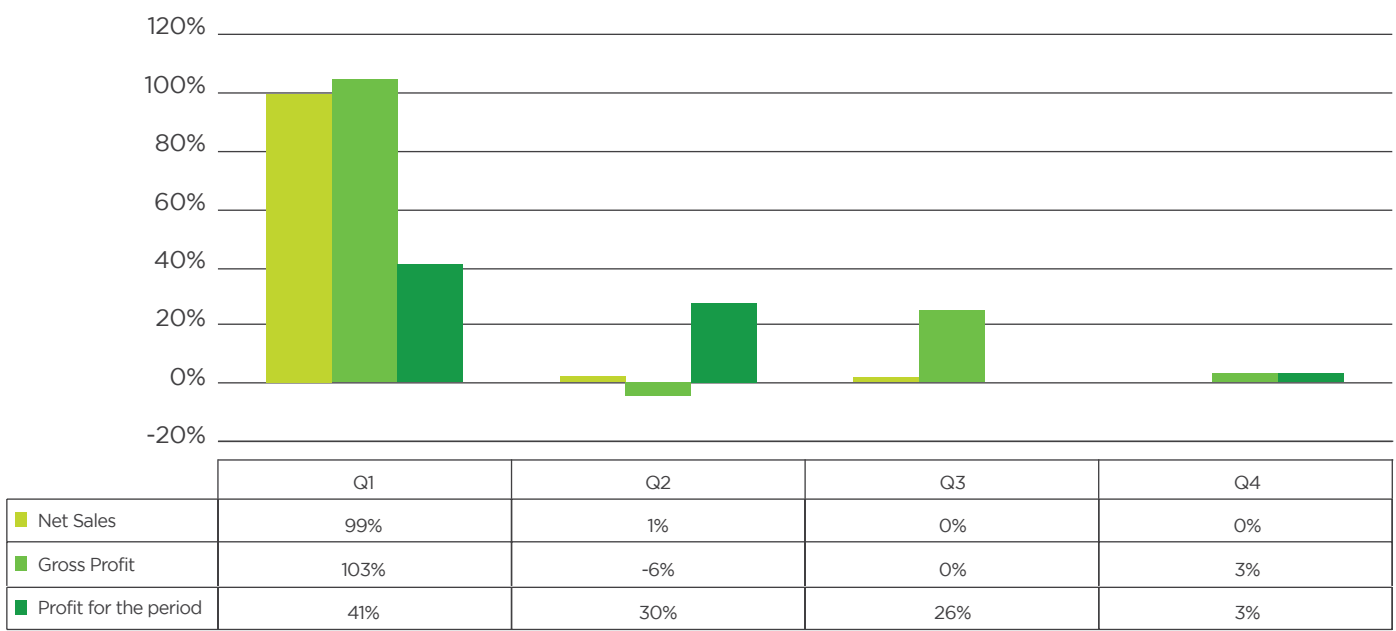


■ To Employees ■ To Government ■ To Society
■ To Providers of finance ■ Dividend to Shareholders ■ Wealth Retained

Quarterly Financial Analysis

	Jul - Sep 2024 Rs. '000	%	Oct - Dec 2024 Rs. '000	%	Jan - Mar 2025 Rs. '000	%	Apr - Jun 2025 Rs. '000	%	Jul - Jun 2025 Rs. '000	%
Net Sales	13,110,064	99%	99,449	1%	-	0%	-	0%	13,209,513	100%
Gross Profit	9,352,460	103%	(515,523)	-6%	(41,062)	0%	261,970	3%	9,057,845	100%
Profit for the period	7,785,365	41%	5,818,282	30%	4,962,390	26%	513,441	3%	19,079,478	100%

Quarterly Analysis 2024-25



Cash Flow Statement - Direct Method

For the year ended June 30, 2025

	2025 (Rs. '000s)	2024 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	76,126,936	33,700,756
Paid to suppliers / service provider - net	(33,222,373)	(6,793,731)
Paid to employees	(414,791)	(1,273,772)
Interest income received	132,037	256,197
Interest / mark-up paid	(3,516,225)	(10,779,730)
Staff gratuity paid	(41,100)	(55,000)
Taxes paid	(680,174)	(315,123)
Net cash inflow from operating activities	38,384,310	14,739,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(100,218)	(38,289)
Sale proceeds from disposal of Fixed Assets	152,284	2,851
Long term loan to subsidiary - net	(3,266,568)	3,845,520
Dividend received from subsidiaries	17,912,469	14,677,671
Long-term deposits and prepayments	6,619	(1,005)
Short term investment made	(40,874,664)	-
Short term investments redeemed	41,161,396	-
Net cash outflow from investing activities	14,991,318	18,486,748
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(17,480,463)	(22,593,093)
Proceeds from privately placed Sukuk	-	12,000,000
Repayment of privately placed Sukuk	(6,000,000)	(12,000,000)
Repayment of long term loans	(14,815,693)	-
Proceeds from short term borrowing - net	1,546,821	(8,969,648)
Repayment of long term lease liabilities	(41,868)	(39,875)
Net cash outflow from financing activities	(36,791,203)	(31,602,616)
Net decrease in cash and cash equivalents	16,584,425	1,623,729
Cash and cash equivalents at the beginning of the year	(18,212,125)	(19,835,854)
Cash and cash equivalents at the end of the year	(1,627,700)	(18,212,125)

Materiality approach adopted by the management

Determination of materiality levels, other than those provided under the regulations, is judgmental and varies between organizations. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company. Materiality levels are reviewed periodically and are appropriately updated.

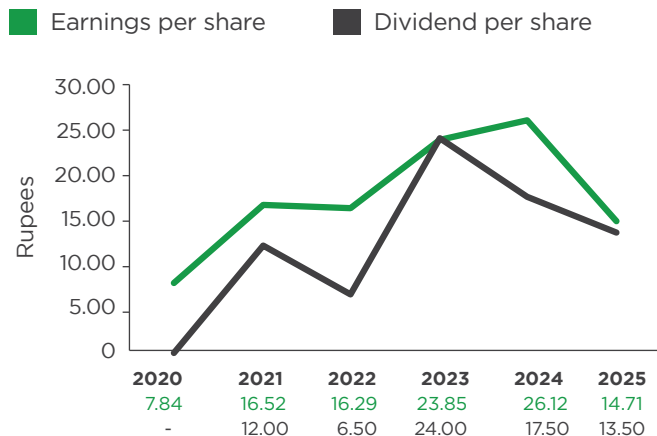
Powers of the Board of Directors and the Management of the Company have been defined with special reference to, and in compliance with the Companies Act 2017, the Code of Corporate Governance, the Articles of Association of the Company, guidelines and frameworks issued by professional bodies and best practices.

The Board powers include approvals for capital expenditure, disposal of fixed assets, annual business plans, policy formulation, risk management, human resource management, donations, matters relating to health, safety and the environment and other matters required by law or internal policies.

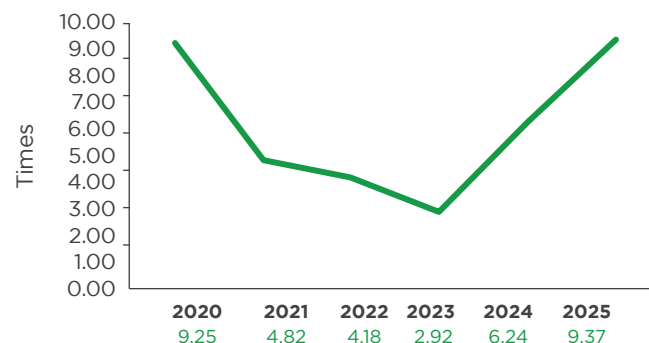
Authorizations for transactions and delegation of powers have also been defined clearly and carried out through formalized processes keeping in view defined materiality levels.

Graphical Presentation

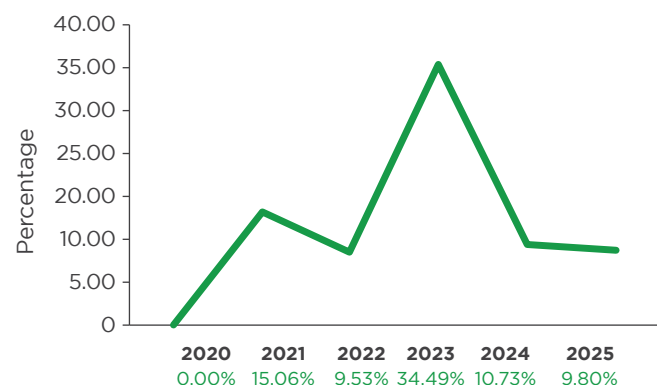
EPS vs Dividend per share



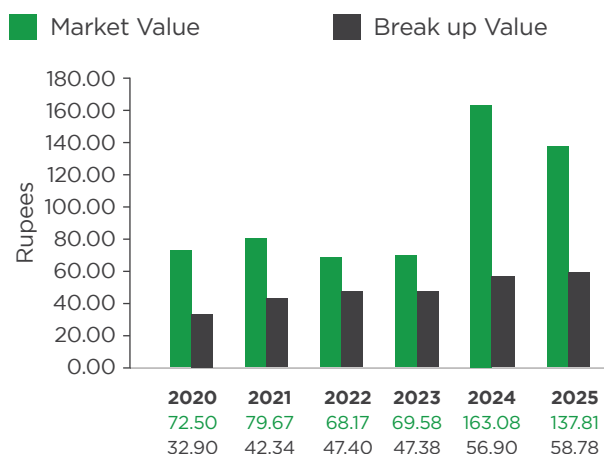
PE Ratio



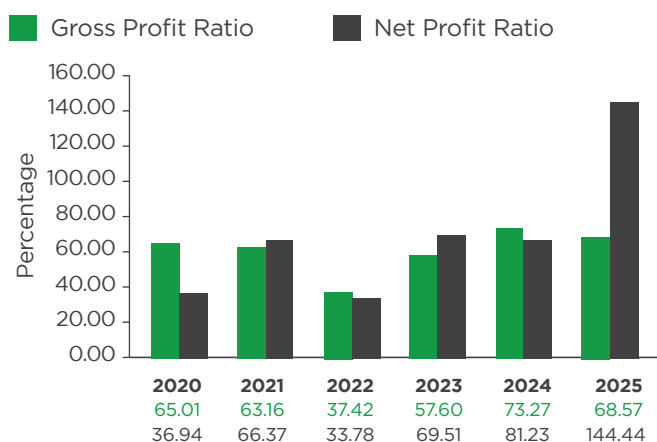
Dividend Yield



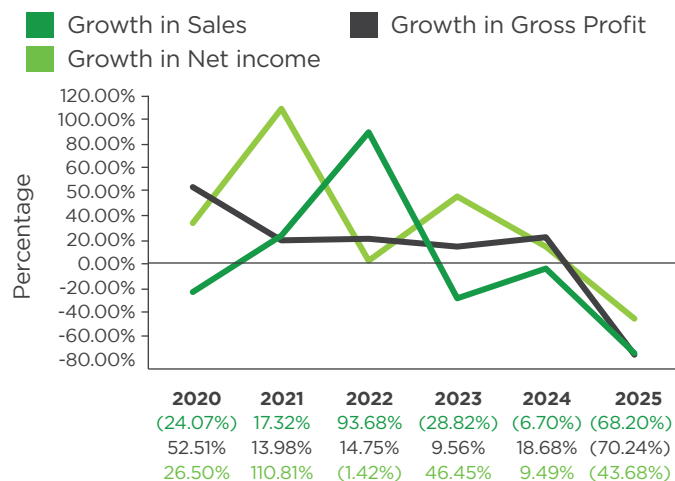
Market Value vs Break up Value



GP % vs NP %

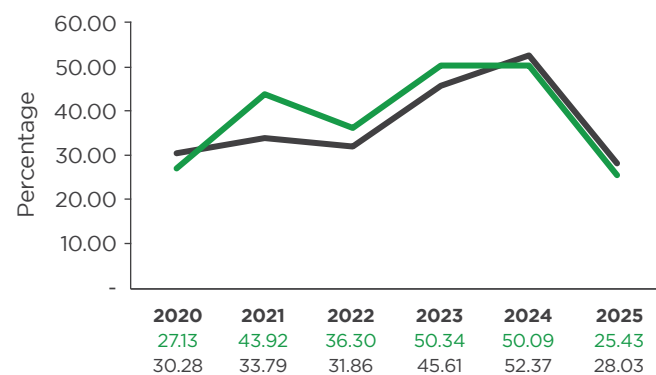


Growth of Turnover and Profitability



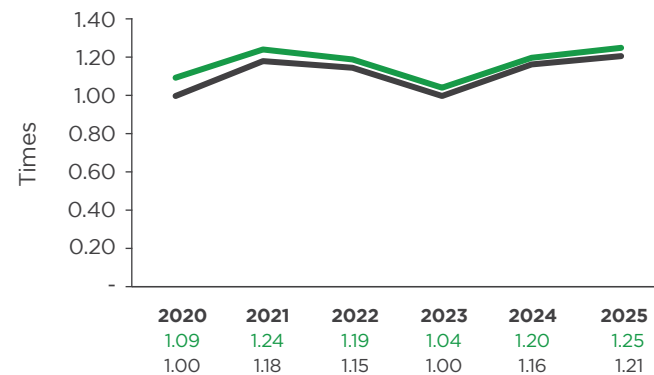
Profitability Ratio

Return on Equity Return on Capital Employed



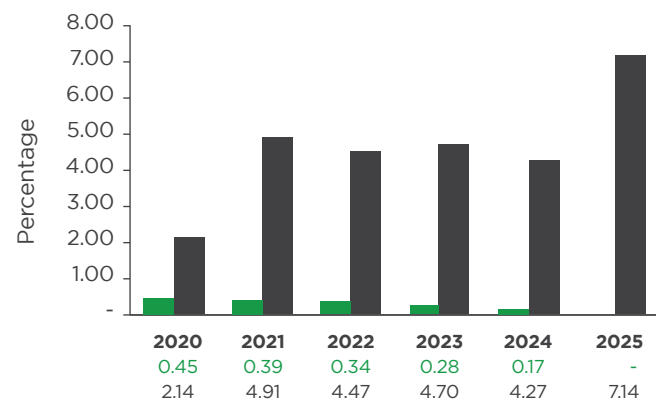
Current Ratio vs Quick / Acid Test Ratio

Current Ratio Quick / Acid Test Ratio



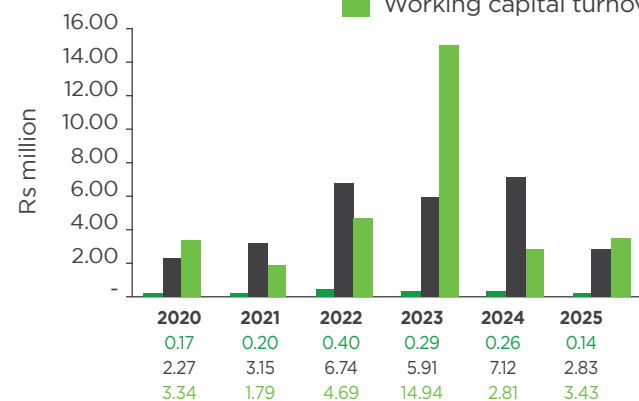
Debt Management

Debt to Equity Ratio Interest Cover



Turnover Ratio

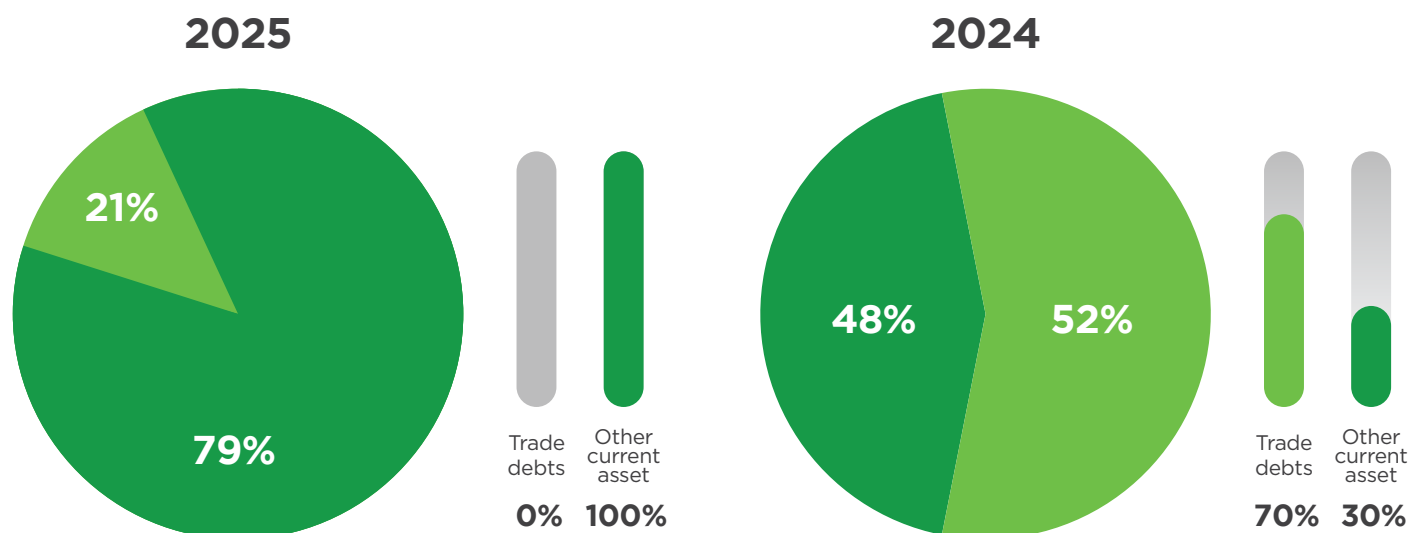
Total asset turnover Fixed assets turnover Working capital turnover



Graphical Presentation

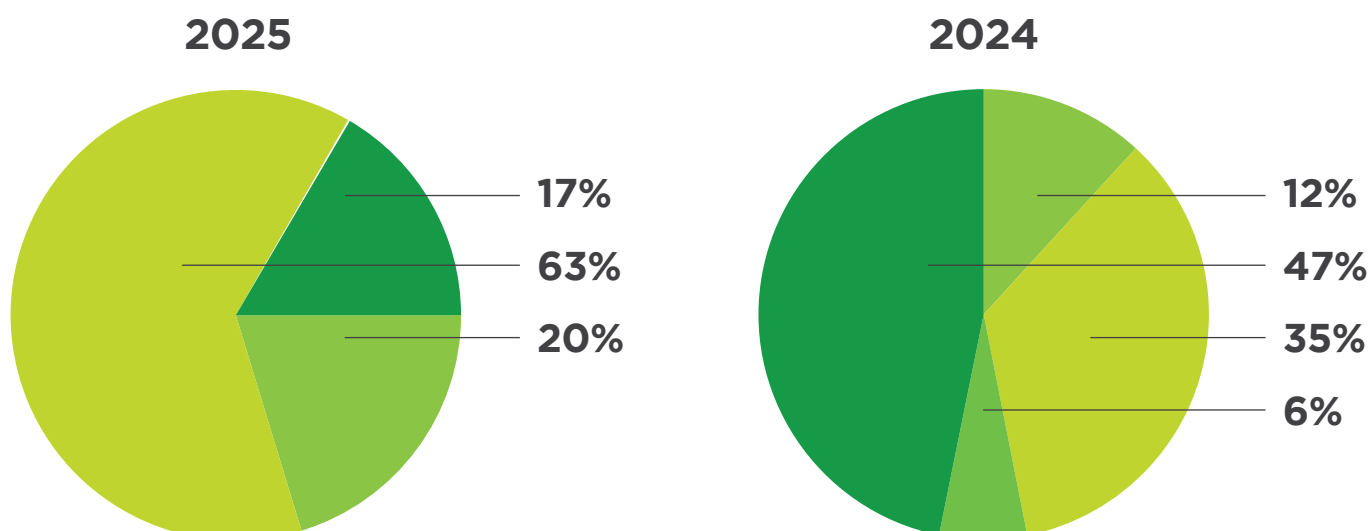
Composition of Total Assets

■ Non Current Assets ■ Current Assets



Capital Structure

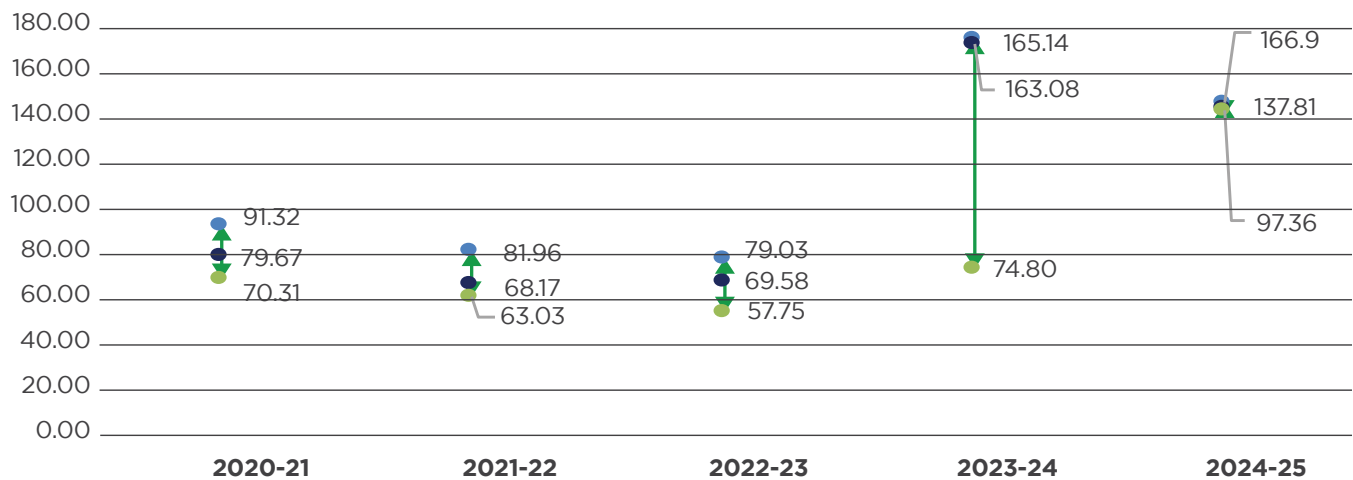
■ Current Liabilities ■ Retained earning ■ Paid up Share capital ■ Non current liabilities



Share Price Sensitivity Analysis

Share price in the stock market moves due to various factors such as company performance, general market sentiments, economic events and interest rates, etc. Being a responsible and law-compliant company, HUBCO circulates price sensitive information to the stock exchange in accordance with the requirements of listing regulations on timely manner. During the year 2024-25, Company's share price has touched the peak of Rs. 166.69 while the lowest recorded price was Rs. 97.36 with a closing price of Rs. 137.81 at the end of the year.

Share Price Sensitivity



High	91.32	81.96	79.03	165.14	166.69
Closing	79.67	68.17	69.58	163.08	137.81
Low	70.31	63.03	57.75	74.80	97.36

The background features a large, dark green L-shaped graphic on the left side. A diagonal line extends from the top right towards the bottom right, creating a white triangular area. A smaller, lighter green triangle is positioned in the top right corner.

UNCONSOLIDATED FINANCIAL STATEMENTS



Independent Auditor's Report

To the members of The Hub Power Company Limited Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of The Hub Power Company Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Contingent Liabilities	
	[Refer notes 3.8, 28.3, 28.5 to 28.7 to the unconsolidated financial statements] The Company has contingent liabilities in respect of Income Tax, Sales Tax, Federal Excise Duty (FED) and Workers' Profits Participation Fund (WPPF) which are pending adjudication at various legal forums. These are based on a range of issues such as disallowance of certain expenses for income tax purposes, apportionment of input sales tax claims, applicability of FED on services and WPPF on the operations of the Company. The related matters require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure or recognition of any provision that may be required there against. Due to the significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgment and estimates to assess the same including related financial impacts, we have considered related contingent liabilities an area of higher assessed risk and a key audit matter.	Our audit procedures, amongst others, included the following: i) obtained understanding of the Company's process and controls over litigations through meetings with management and reviewed the minutes of the meetings of Board of Directors and the Board Audit and Risk Committee; ii) obtained and assessed details of pending and threatened litigation and discussed the same with the Company's management; iii) circularised confirmations to the Company's external legal and tax advisors for their views on matters being handled by them; iv) involved internal tax professionals to assess management's conclusion on contingent tax matters and evaluated consistency of such conclusions with the views of management and external tax advisors engaged by the Company; v) checked correspondence of the Company with the relevant authorities including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; and vi) assessed the adequacy of related disclosures in the unconsolidated financial statements with regard to the applicable accounting and reporting standards.
(ii)	Execution of Negotiated Settlement Agreement	
	[Refer note 1.1 to the unconsolidated financial statements] On October 17, 2024, a Negotiated Settlement Agreement (NSA) was entered into by the Company and the Government of Pakistan (GoP), resulting in early termination of all agreements concerning the Hub Plant with effect from October 1, 2024, which include the Implementation Agreement (IA), Power Purchase Agreement (PPA), GoP Guarantee, and Fuel Supply Agreement (FSA) with Pakistan State Oil Company Limited. The execution of NSA was a significant event during the year, requiring audit procedures to understand the terms of NSA and consequential impacts on the Company. Accordingly, we considered this a key audit matter.	Our audit procedures, amongst others, included the following: i) obtained and reviewed the NSA, to understand the terms and conditions including effective date, financial settlements, and any continuing rights and obligations; ii) checked compliance with the requirements of NSA including amounts received and settled by the Company; iii) evaluated impacts of NSA on the Company including impairment assessment carried out by management on early termination of PPA; and iv) assessed the adequacy of related disclosures in the unconsolidated financial statements with regard to the applicable accounting and reporting standards.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 19, 2025

UDIN: AR202510080IJBPNyFvo

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Revenue from contract with customer - net	5	13,209,513	41,534,404
Cost of revenue	6	(4,151,668)	(11,100,728)
GROSS PROFIT		9,057,845	30,433,676
Dividend income	7	14,913,572	16,094,659
General and administration expenses	8	(548,332)	(1,322,712)
Other income	9	536,000	523,927
Other operating expenses	10	(807,333)	(129,186)
PROFIT FROM OPERATIONS		23,151,752	45,600,364
Finance costs	11	(3,242,836)	(10,691,325)
PROFIT BEFORE TAXATION		19,908,916	34,909,039
Taxation	12	(829,438)	(1,029,863)
PROFIT FOR THE YEAR		19,079,478	33,879,176
Basic and diluted earnings per share (Rupees)	36	14.71	26.12

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.



M. HABIBULLAH KHAN
Chairman



KAMRAN KAMAL
Chief Executive



MUHAMMAD SAQIB
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Profit for the year		19,079,478	33,879,176
Other comprehensive income for the year:			
Items that will not be reclassified to profit or loss in subsequent periods			
Gain on remeasurement of post employment benefit obligation	26.1	58,861	9,799
Gain on revaluation of equity investment at fair value through other comprehensive income	37	813,020	1,168,702
		871,881	1,178,501
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,951,359	35,057,677

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.



M. HABIBULLAH KHAN
Chairman



KAMRAN KAMAL
Chief Executive



MUHAMMAD SAQIB
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	13	4,449,228	4,901,011
Intangibles	14	-	342
Long term investments	15	64,806,359	63,993,339
Long term loan to subsidiary	16	3,266,568	-
Long term deposits		7,695	14,314
		72,529,850	68,909,006
CURRENT ASSETS			
Stores, spares and consumables	17	432,985	638,189
Stock-in-trade	18	300,781	2,263,240
Trade debts	19	-	62,917,423
Loans and advances	20	34,475	85,710
Prepayments and other receivables	21	17,358,827	20,220,475
Cash and bank balances	22	876,269	2,355,983
		19,003,337	88,481,020
TOTAL ASSETS		91,533,187	157,390,026
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised		17,000,000	17,000,000
Issued, subscribed and paid-up	23	12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Unappropriated profit		57,681,012	55,241,237
		76,252,556	73,812,781
NON-CURRENT LIABILITIES			
Long term loans	24	-	9,737,403
Long term lease liabilities	25	128,080	154,292
		128,080	9,891,695
CURRENT LIABILITIES			
Trade and other payables	26	8,065,017	38,476,743
Provision for taxation		2,517,561	2,368,297
Unclaimed dividend		303,805	231,202
Unpaid dividend		175,019	216,501
Interest / mark-up accrued		14,664	752,248
Short term borrowings	27	4,050,790	26,568,108
Current maturity of long term loans	24	-	5,051,764
Current maturity of long term lease liabilities	25	25,695	20,687
		15,152,551	73,685,550
TOTAL LIABILITIES		15,280,631	83,577,245
TOTAL EQUITY AND LIABILITIES		91,533,187	157,390,026

COMMITMENTS AND CONTINGENCIES

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The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

M. HABIBULLAH KHAN
Chairman

KAMRAN KAMAL
Chief Executive

MUHAMMAD SAQIB
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		19,908,916	34,909,039
Adjustments for:			
Depreciation	13.4	539,246	1,897,569
Amortisation	14.1	342	642
Dividend income from subsidiaries and equity investment	7	(14,913,572)	(16,327,453)
Provision for Workers' Profits Participation Fund	10.1	239,952	-
Gain on disposal of fixed assets	9	(139,529)	(2,667)
Provision against slow moving stores, spares and consumables	17.1	57,493	229,971
Staff gratuity	26.1	46,806	42,496
Interest income	9	(109,739)	(288,466)
Gain on mutual fund investments		(286,732)	-
Interest / mark-up expense	11	2,778,641	10,228,329
Provision for Net Realizable Value - Stores and spares		174,986	-
Mark-up on lease liabilities	11	20,664	26,163
Amortisation of transaction costs	11	26,526	25,246
Operating profit before working capital changes		8,344,000	30,740,869
Working capital changes	34	34,145,772	(5,107,616)
Cash generated from operations		42,489,772	25,633,253
Interest income received		132,037	256,197
Interest / mark-up paid		(3,516,225)	(10,779,730)
Staff gratuity paid		(41,100)	(55,000)
Taxes paid		(680,174)	(315,123)
Net cash generated from operating activities		38,384,310	14,739,597
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiaries and equity investment		17,912,469	14,677,671
Fixed capital expenditure		(100,218)	(38,289)
Proceeds from disposal of fixed assets	13.2	152,284	2,851
Long term loan (disbursed to) / repaid by subsidiary - net		(3,266,568)	3,845,520
Long term deposits and prepayments		6,619	(1,005)
Short term investment made		(40,874,664)	-
Short term investments redeemed		41,161,396	-
Net cash generated from investing activities		14,991,318	18,486,748
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(17,480,463)	(22,593,093)
Proceeds from privately placed Sukuk		-	12,000,000
Repayment of privately placed Sukuk		(6,000,000)	(12,000,000)
Proceeds from short term borrowing - net		1,546,821	-
Repayment of long term loans	24	(14,815,693)	(8,969,648)
Repayment of long term lease liabilities	25	(41,868)	(39,875)
Net cash used in financing activities		(36,791,203)	(31,602,616)
Net increase in cash and cash equivalents		16,584,425	1,623,729
Cash and cash equivalents at the beginning of the year		(18,212,125)	(19,835,854)
Cash and cash equivalents at the end of the year	35	(1,627,700)	(18,212,125)

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

M. HABIBULLAH KHAN
Chairman

KAMRAN KAMAL
Chief Executive

MUHAMMAD SAQIB
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
ISSUED CAPITAL			
Balance at the beginning and end of the year	23	12,971,544	12,971,544
SHARE PREMIUM			
Balance at the beginning and end of the year		5,600,000	5,600,000
UNAPPROPRIATED PROFIT			
Balance at the beginning of the year		55,241,237	42,883,762
Profit for the year		19,079,478	33,879,176
Other comprehensive income for the year		871,881	1,178,501
Total comprehensive income for the year		19,951,359	35,057,677
Transactions with owners in their capacity as owners			
Final dividend for the fiscal year 2023-24 @ Rs. 8.50 (2022-23 @ Rs. 6.00) per share		(11,025,812)	(7,782,926)
First interim dividend for the fiscal year 2024-25 @ Rs. 5.00 (2023-24 @ Rs. 5.00) per share		(6,485,772)	(6,485,772)
Second interim dividend for the fiscal year 2024-25 @ Nil (2023-24 @ Rs. 4.00) per share		-	(5,188,618)
Third interim dividend for the fiscal year 2024-25 @ Nil (2023-24 @ Rs. 2.50) per share		-	(3,242,886)
		(17,511,584)	(22,700,202)
Balance at the end of the year		57,681,012	55,241,237
TOTAL EQUITY		76,252,556	73,812,781

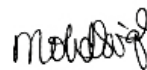
The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.



M. HABIBULLAH KHAN
Chairman



KAMRAN KAMAL
Chief Executive



MUHAMMAD SAQIB
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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).

Head Office:

The Company's registered office is situated at 9th Floor, Ocean Tower, G-3, Block-9, Main Clifton Road, Karachi.

Hub Plant:

Hub Plant is situated at Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan.

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%;
- Thar Energy Limited (TEL) - Holding of 60%;
- Ark Metals (Private) Limited - Holding of 51.45% via HPhL; and
- Hubco Green (Private) Limited - Holding of 100% via HPhL.

Associates

- China Power Hub Generation Company (Private) Limited (CPHGC) - legal ownership interest of 47.5% via HPhL; and
- Mega Motor Company (Private) Limited (MMCPL) - Holding of 50% via HPhL;

Joint Ventures

- Prime International Oil & Gas Company Limited - Holding of 50% via HPhL;
- China Power Hub Operating Company (Private) Limited (CPHO) - Holding of 49% via HPhL; and
- ThalNova Power Thar (Private) Limited (TNPTL) - Holding of 38.3% via HPhL.

- 1.1 On October 17, 2024, the Company, entered into a Negotiated Settlement Agreement (NSA) for the early termination of all agreements related to the Hub Plant. These agreements include the Implementation Agreement (IA), Power Purchase Agreement (PPA), Government of Pakistan (GOP) Guarantee and Fuel Supply Agreement (FSA), with effect from October 1, 2024.

Pursuant to the NSA, the Company has received Rs. 36,499 million in settlement of all outstanding liabilities owed by the Power Purchaser. Additionally, the Power Purchaser has assumed all liabilities and obligations of the Company under the FSA.

As per the NSA, in the event that the appeal regarding the apportionment of sales tax on the Capacity Purchase Price (CPP), pending before any competent authority, is fully and finally decided in favour of the Federal Board of Revenue (FBR), and the Company is required to make any payment, the Power Purchaser shall reimburse the Company within 30 days of the invoice for such payment.

Furthermore, the Company shall invoice, and the Power Purchaser shall process and settle, Workers Welfare Fund (WWF) and Workers' Profit Participation Fund (WPPF) accrued up to June 30, 2024, as and when the matter is finally adjudicated by the apex courts.

The Hub Plant is currently shut down whereas the management is evaluating viable alternate business plans. The Company however has sufficient financial resources and expects to generate sufficient income in future years from its equity investments. Accordingly these unconsolidated financial statements have been prepared on a going concern basis.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements are separate financial statements of the Company and have been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Changes in accounting standards and interpretations

Standards, interpretations and amendments to published approved accounting and reporting standards which became effective and those not yet effective and have not been early adopted by the Company during the year:

There were certain amendments to accounting and reporting standards which became effective on the Company for the current year. Further there is a standard and amendments that are not yet effective and have not been early adopted by the Company. These are disclosed in note 39. These, however, do not have a significant impact on the Company's financial reporting.

2.3 Accounting convention

These financial statements have been prepared under the historical cost convention, except as disclosed in the material accounting policy information in note 3.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

3.1.1 Operating fixed assets and depreciation

Owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land which is stated at cost.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Depreciation is computed using the straight-line method over the estimated useful lives of the assets at the rates disclosed in note 13.1 to these unconsolidated financial statements. Depreciation on additions is charged for the full month in which an asset is available for use and on disposals up to the month immediately preceding the disposals. Gains and losses on disposals are taken to the unconsolidated statement of profit or loss.

Maintenance and repairs are charged to the unconsolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalised.

Spare parts and servicing equipment are classified as operating fixed assets under plant and machinery rather than stores, spares and loose tools when they meet the definition of property, plant and equipment. Available for use capital spares and servicing equipment are depreciated over their useful lives, or the remaining life of principal asset, whichever is lower.

The residual values, depreciation method and the useful lives of the significant items of operating fixed assets are reviewed and adjusted if required, at each reporting date.

Right-of-use assets

Right-of-use assets are initially measured on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs, lease incentive and the discounted estimated asset retirement obligation. Subsequently, the right-of-use asset is measured at cost net of any accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter of estimated useful lives of the right-of-use assets or the lease term.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. Items are transferred to operating fixed assets as and when they are available for use.

3.2 Intangible assets and amortisation

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is computed using the straight-line method over the estimated useful lives of the assets at the rate disclosed in note 14 to these unconsolidated financial statements.

3.3 Investments

Subsidiaries

Investment in subsidiaries is recognised at cost less impairment losses, if any.

Others

On initial recognition, the Company designates investments in equity instruments as at Fair Value Through Other Comprehensive Income (FVTOCI) if the equity investment is not held for trading or if it is contingent consideration recognised in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in retained earnings.

3.4 Impairment of non-current assets

The carrying amounts of non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to assess whether asset's carrying value exceeds its recoverable amount. Where carrying value exceeds the estimated recoverable amount, asset is written down to its recoverable amount. Impairment losses are recognised as expense in the unconsolidated statement of profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Stores, spares and consumables

These are valued at the lower of moving average cost and net realisable value except for the items in transit which are stated at cost. Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date. Provision is made for slow moving and obsolete items, if any.

3.6 Stock-in-trade

These are valued at the lower of cost determined on first-in-first-out basis and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date.

3.7 Share capital

Ordinary shares are classified as equity and recognised at their face value. Discount or premium on issuance of shares is separately reported in unconsolidated statement of changes in equity. Transaction costs directly attributable to the issuance of shares are shown in equity as a deduction, net of tax.

3.8 Provisions and contingent liabilities

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses and are reviewed at each reporting date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed when the Company has possible obligation that arises from past event's and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

3.9 Staff retirement benefits

Defined benefit plan

The Company operates a funded defined benefit gratuity plan covering eligible employees whose period of service with the Company is at least five years. The liabilities relating to defined benefit plans are determined through actuarial valuation using the Projected Unit Credit Method. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these benefits, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuations have been disclosed in note 26.1 of these unconsolidated financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

All actuarial gains / losses are recognised in other comprehensive income of the Company in the period in which they arise.

Defined contribution plan

The Company operates a recognised contributory provident fund covering all its employees who are eligible for the plan. Equal monthly contributions are made by the Company and the employees in accordance with fund's rules.

3.10 Revenue recognition

3.10.1 Sale of electricity

Revenue from the sale of electricity to the Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)], the sole customer of the Company, was recorded based upon the output delivered and capacity available at rates as specified under the Power Purchase Agreement (PPA) with CPPA(G), as amended from time to time. PPA with CPPA(G) was a contract over a period of 30 years starting from 1997 which was terminated on October 1, 2024 as more fully explained in note 1.1. Late payment interest, as per the PPA, on receivables from CPPA(G) was recorded on accrual basis.

3.10.2 Dividend income

Dividend income is recognised when the Company's right to receive payment has been established.

3.10.3 Interest income

Interest income is recorded on accrual basis.

3.11 Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pak Rupees which is the Company's functional currency, unless otherwise stated.

3.12 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees equivalents using reporting date exchange rates. Non-monetary assets and liabilities are stated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions and translation are included in the unconsolidated statement of profit or loss.

3.13 Taxation

3.13.1 Current

Income of the Company is not liable to taxation in Pakistan, to the extent, provided in the Implementation Agreement signed with the Government of Pakistan (GOP) and the Income Tax Ordinance, 2001 (ITO 2001) which was terminated on October 1, 2024 as more fully explained in note 1.1. Accordingly, provision for taxation, if any, is made only on the income liable to tax at the applicable rates of tax after taking into account tax credits, rebates etc. allowable under the ITO 2001.

3.13.1 Deferred

Deferred tax is recorded for all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised only when it is probable that future taxable profits and taxable temporary differences will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.14 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which it is approved.

3.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled or expired.

3.15.1 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value plus directly attributable transaction cost, if any, and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any.

3.15.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, payorders in hand, cash with banks on savings, call and term deposit accounts and running finance payable on demand. Short term borrowings are shown in current liabilities.

3.15.3 Borrowings

Borrowings are recognised initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the unconsolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

3.15.4 Trade and other payables

Liabilities for trade and other amounts payable are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method.

3.16 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.17 Impairment of financial assets

Trade debts are assessed at each reporting date to determine whether there is any objective evidence that these are impaired. These are considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For financial assets other than trade debts, lifetime ECL is used when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

3.18 Off-setting

Financial assets and liabilities are offset and net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on net basis, or to realise the assets and to settle the liabilities simultaneously.

3.19 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except when the sales tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the unconsolidated statement of financial position.

3.20 Lease liabilities

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the periods in which the estimates are revised and in any future periods affected. Significant estimates, assumptions and judgements are disclosed in the relevant accounting policies and notes to these unconsolidated financial statements.

Following are the significant areas where management used estimates and judgements other than those which have been disclosed elsewhere in these unconsolidated financial statements:

- a) Determining the residual values and useful lives of property, plant and equipment and intangibles;
- b) Distinguishing between capital spares, servicing equipment and stores and spares;
- c) Provisions;
- d) Recognition of taxation;
- e) Recognition of provision for staff retirement benefits;
- f) Impairment of trade debts and other receivables;
- g) Commitments and contingencies;
- h) Determining the fair value of equity instruments designated as FVTOCI; and
- i) Recognition of lease liabilities and right of use assets.

	Note	2025	2024
		(Rs. '000s)	(Rs. '000s)
5. REVENUE FROM CONTRACT WITH CUSTOMER - NET			
Capacity Purchase Price (CPP)		8,305,888	31,780,864
Energy Purchase Price (EPP)		758,821	-
Others	5.1	4,257,996	9,753,540
		13,322,705	41,534,404
Less: Sales tax on EPP		(113,192)	-
		13,209,513	41,534,404
5.1	This includes Late Payment Interest (LPI) and other revenue under PPA.		
6. COST OF REVENUE			
Fuel cost		828,278	-
Late payment interest to fuel supplier		1,232,073	5,618,151
Stores and spares		135,434	431,456
Operations and maintenance	6.1	50,400	170,000
Salaries, benefits and other allowances	6.2 & 6.3	153,189	564,837
Insurance		471,997	1,537,464
Depreciation	13.4	490,469	1,852,375
Amortisation	14.1	330	629
Repairs, maintenance and other costs		789,498	925,816
		4,151,668	11,100,728
6.1	This represents services rendered by HPSL (a subsidiary company), under Operations and Maintainance Agreement, which was terminated on October 1, 2024.		
6.2	This includes salaries, wages and benefits of employees seconded from HPSL to the Company. As at June 30, 2025, number of seconded employees were Nil (2024: 134).		

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 6.3 This includes a sum of Rs. 17 million (2024: Rs. 43 million) in respect of staff retirement benefits. The retirement benefit plans of the seconded employees were maintained by HPSL.

	Note	2025	2024
		(Rs. '000s)	(Rs. '000s)
7. DIVIDEND INCOME			
Dividend income from subsidiaries			
LEL		3,545,131	4,909,499
HPSL		1,220,000	675,000
NEL		10,148,441	7,000,562
HPHL		-	3,509,598
		14,913,572	16,094,659

8. GENERAL AND ADMINISTRATION EXPENSES

Salaries, benefits and other allowances	8.1 & 6.2	258,681	523,864
Travel and transportation		27,563	15,079
Fuel and power		3,762	11,284
Repairs and maintenance		5,886	24,310
Legal and professional charges		80,229	461,253
Office running costs		7,820	50,200
Insurance		20,064	16,210
Fee and subscription		12,945	18,171
Training and development		16,078	6,823
Auditors' remuneration	8.2	9,455	7,367
Donations	8.3	7,232	39,097
Corporate social responsibility		42,894	80,877
Printing and stationery		2,512	5,283
Depreciation	13.4	48,777	45,194
Amortisation	14.1	12	13
Miscellaneous		4,422	17,687
		548,332	1,322,712

- 8.1 This includes a sum of Rs. 66 million (2024: Rs. 55 million) in respect of staff retirement benefits.

	Note	2025	2024
		(Rs. '000s)	(Rs. '000s)
8.2 Auditors' remuneration			
Statutory audit		3,618	3,381
Half yearly review		1,134	1,041
Code of Corporate Governance		270	221
Certifications and other services		3,690	1,975
Out-of-pocket expenses		743	749
		9,455	7,367

- 8.3 No directors or their spouses had any interest in any donee to which donations were made. During the year, the Company made donation to The Citizens Foundation amounting to Rs. 7 million (2024: Rs. 39 million).

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
9. OTHER INCOME			
Financial assets			
Interest income		109,739	288,466
Gain on investment - Mutual Fund		286,732	-
Dividend income from SECMC		-	232,794
		<u>396,471</u>	<u>521,260</u>
Non-financial assets and others			
Gain on disposal of fixed assets - net		139,529	2,667
		<u>536,000</u>	<u>523,927</u>
10. OTHER OPERATING EXPENSES			
Workers' profit participation fund	10.1	239,952	-
Exchange loss		19,564	129,186
Loss on RFO disposal		372,831	-
Provision for Net Realizable Value (NRV)			
Stores and spares	17.2	174,986	-
		<u>807,333</u>	<u>129,186</u>
10.1 Workers' profit participation fund			
Provision for Workers' profit participation fund	28.3	239,952	929,079
Workers' profit participation fund recoverable from CPPA(G)		-	(929,079)
		<u>239,952</u>	<u>-</u>
11. FINANCE COSTS			
Interest / mark-up on long term loans		861,493	4,256,940
Mark-up on long term lease liabilities	25	20,664	26,163
Mark-up on short term borrowings		1,917,148	5,971,389
Amortisation of transaction costs	24	26,526	25,246
Other finance costs		417,005	411,587
		<u>3,242,836</u>	<u>10,691,325</u>
12. TAXATION			
Current			
- For the year	12.1	829,438	1,029,863

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
12.1 Relationship between tax expense and accounting profit			
Profit before taxation		19,908,916	34,909,039
Tax calculated at the rate of 29% (2024: 29%)		5,773,586	10,123,621
Effect of reduced rate of tax on dividend income		(762,203)	(1,088,133)
Effect of exempt income		(4,590,058)	(8,548,701)
Effect of super tax at the rate of 10% (2024: 10%)		408,113	543,076
		829,438	1,029,863

12.2 The Company opted for Group Taxation under section 59AA of the ITO, 2001. For this purpose, the Group consists of:

- The Hub Power Company Limited (the holding company);
- Hub Power Services Limited (HPSL) - 100% owned subsidiary;
- Hub Power Holdings Limited (HPHL) - 100% owned subsidiary; and
- Narowal Energy Limited (NEL) - 100% owned subsidiary.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
13. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	4,449,228	4,901,011

13.1 Operating fixed assets

	Freehold land	Building on freehold land	Right of use asset	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Total
	----- (Rs. '000s) -----							
Cost:								
As at June 30, 2023	13,909	433,058	221,891	50,870,883	31,595	254,886	30,310	51,856,532
Additions / transfers from CWIP	-	-	-	296,407	180	8,433	466	305,486
Disposals	-	(792)	-	(88,037)	(797)	(4,043)	(3,904)	(97,573)
As at June 30, 2024	13,909	432,266	221,891	51,079,253	30,978	259,276	26,872	52,064,445
Additions	-	-	-	99,384	161	-	673	100,218
Disposals	-	-	-	(238,145)	-	(126,843)	(6,279)	(371,267)
As at June 30, 2025	13,909	432,266	221,891	50,940,492	31,139	132,433	21,266	51,793,396
Accumulated depreciation:								
As at June 30, 2023	-	394,635	88,678	44,617,519	30,905	205,987	25,530	45,363,254
Charge for the year (note 13.4)	-	19,548	22,189	1,837,564	69	18,038	161	1,897,569
Disposals	-	(792)	-	(87,853)	(797)	(4,043)	(3,904)	(97,389)
As at June 30, 2024	-	413,391	110,867	46,367,230	30,177	219,982	21,787	47,163,434
Charge for the year (note 13.4)	-	2,193	22,189	508,023	96	6,459	286	539,246
Disposals	-	-	-	(225,521)	-	(126,844)	(6,147)	(358,512)
As at June 30, 2025	-	415,584	133,056	46,649,732	30,273	99,597	15,926	47,344,168
Net book value as at June 30, 2025	13,909	16,682	88,835	4,290,760	866	32,836	5,340	4,449,228
Net book value as at June 30, 2024	13,909	18,875	111,024	4,712,023	801	39,294	5,085	4,901,011
Depreciation rate per annum (%)	-	3.33 to 25	10 to 20	3.33 to 50	20	25	20	
Cost of fully depreciated assets as at June 30, 2025	-	257,833	-	746,884	30,630	63,333	15,896	1,114,576
Cost of fully depreciated assets as at June 30, 2024	-	235,445	-	716,054	30,630	190,176	21,716	1,194,021

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- 13.1.1 During the year, the Company engaged an independent expert to the review of the residual values of its depreciable assets to ensure that the carrying amount of these assets reflects a more accurate depiction of their economic utility and value, and better reflection of their expected service potential, consistent with the requirements of applicable financial reporting framework.

Accordingly, the residual values have been revised and this change has been accounted for prospectively as a change in estimate in accordance with the IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors', and its impact has been recognised in the financial statements for the current and future periods. Resultantly, the depreciation charge for the year decreased by Rs. 1,428 million and the net book value of property, plant and equipment increased by same amount. The impact on future periods will depend on remaining useful lives of respective assets.

Had there been no change in the above accounting estimates, the profit after tax for the current year would have lower Rs. 1,428 million.

13.2 Details of disposal of operating fixed assets:

2025 Assets	Cost	Accumulated depreciation	Net book value (Rs. '000s)	Sale price	(Gain)/Loss (Note 9)	Mode of disposal	Particulars of buyer /Relationship
Plant & machinery	99,714	93,067	6,647	1,926	4,721	Bidding	Makram Steel
Plant & machinery	40,018	38,684	1,334	2,825	(1,491)	Bidding	Cnergyico Pk Ltd
Plant & machinery	14,404	11,665	2,739	415	2,324	Bidding	Syed Riaz Ahmed
Plant & machinery	5,955	4,822	1,133	702	431	Bidding	Makram Steel
Others - Net book value less than Rs. 500,000	211,176	210,274	902	146,416	(145,514)	Bidding	Various
	371,267	358,512	12,755	152,284	(139,529)		

2024 Assets	Cost	Accumulated depreciation	Net book value (Rs. '000s)	Sale price	(Gain) (Note 9)	Mode of disposal	Particulars of buyer /Relationship
Others	97,573	97,389	184	2,851	(2,667)	Bidding	Various

13.3 Details of the Company's immovable fixed assets:

Particulars	Area	Location
Freehold land and building	1,143 Acres	Hub Plant - District Lasbela, Balochistan

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
13.4 Depreciation charge for the year has been allocated as follows:			
Cost of revenue	6	490,469	1,852,375
General and administration expenses	8	48,777	45,194
		<u>539,246</u>	<u>1,897,569</u>
13.5 Capital work-in-progress			
Opening balance		-	267,197
Additions during the year		-	11,872
Transfers during the year		-	(279,069)
Closing balance		<u>-</u>	<u>-</u>
14. INTANGIBLES - Computer software			
Cost			
Opening balance		154,656	158,225
Write off		(2,212)	(3,569)
		<u>152,444</u>	<u>154,656</u>
Accumulated amortisation			
Opening balance		(154,314)	(157,241)
Charge for the year		(342)	(642)
Write off		2,212	3,569
		<u>(152,444)</u>	<u>(154,314)</u>
Net book value		<u>-</u>	<u>342</u>
Amortisation rate per annum (%)		<u>33.33</u>	<u>33.33</u>
		<u>152,444</u>	<u>152,727</u>
14.1 Cost of fully amortisation intangibles:			
Cost of revenue	6	330	629
General and administration expenses	8	12	13
		<u>342</u>	<u>642</u>

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
15. LONG TERM INVESTMENTS			
Investment in subsidiaries - unquoted			
Laraib Energy Limited (LEL)	15.1	4,674,189	4,674,189
Hub Power Services Limited (HPSL)	15.2	100	100
Hub Power Holdings Limited (HPhL)	15.3	38,995,534	38,995,534
Narowal Energy Limited (NEL)	15.4	3,921,883	3,921,883
Thar Energy Limited (TEL)	15.5	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)	15.6	5,240,837	4,427,817
		64,806,359	63,993,339

15.1 Laraib Energy Limited (LEL)

The Company has 74.95% controlling interest in LEL, which was incorporated in Pakistan on August 9, 1995 as a public limited company. The subsidiary owns a 84 MW hydropower generating complex near the New Bong Escape, which is 8 KM downstream of the Mangla Dam in Azad Jammu & Kashmir. The plant commenced operations on March 23, 2013.

In connection with investment in LEL, the Company entered into an Sponsor Support Agreement (SSA). In accordance with the terms of the SSA, the Company entered into a Sponsor Charge and Assignment Deed with LEL's lenders pursuant to which the Company has:

(i) charged, by way of first fixed charge:

(a) all its right, title and interest from time to time in and to the Shares and Related Rights of LEL; and

(b) all its rights, title and interest from time to time (whether present or future) in the Assigned Subordinated Loans and all claims in relation thereto.

(ii) assigned and has agreed to assign absolutely all rights, title and interest present or future of the Company in respect of the Assigned Subordinated Loans.

Accordingly, all the present and future shares which the Company holds or owns in LEL and the loans, if any, to be provided to LEL are subject to Security Interest created by Sponsor Charge and Assignment Deed above.

Pursuant to the SSA in connection with the investment in LEL, the Company entered into a facility agreement with a bank and provided a Stand By Letter of Credit (SBLC) of USD 23 million to LEL's lenders for cost overruns and debt repayment. In 2024, the SBLC amount reduced to USD 7.098 million. The SBLC was required to be maintained till the last repayment of debt (i.e. November 2024). Any default in payment by the Company is subject to a mark-up of six month KIBOR plus a margin of 4%. This SBLC was secured by way of second ranking / subordinated charge over all present and future undertaking and assets of the Company other than: (i) assets relating to the Narowal plant; (ii) Commercial Facility Disbursement Account; (iii) any shares of NEL; and (iv) present and future shares acquired in LEL including bonus shares and right shares. The SBLC has been released during the year.

15.2 Hub Power Services Limited (HPSL)

HPSL, a wholly owned subsidiary, was incorporated in Pakistan on March 26, 2015 as a public limited company. The principal activities of the subsidiary are to manage operations & maintenance of the power plants.

15.3 Hub Power Holdings Limited (HPHL)

HPHL, a wholly owned subsidiary, was incorporated in Pakistan on March 10, 2015 as a public limited company. The principal activities of the subsidiary are to invest in new business opportunities.

On November 12, 2020, HPHL issued privately placed secured Sukuk Certificates amounting to Rs. 6,000 million at a discounted value of Rs. 4,948 million covering profit payment for the first two years of the issue. The Sukuk Certificates carry mark-up at the rate of 2.5% per annum above six month KIBOR. Commencing from November 2022, the mark-up on the Sukuk is payable on semi-annual basis in arrears. The principal was payable in four equal semi-annual installments commenced from May 2024. The Sukuk has been paid off during the year.

15.3.1 China Power Hub Generation Company (Private) Limited (CPHGC)

As at June 30, 2025, HPHL has 47.5% legal ownership interest in China Power Hub Generation Company (Private) Limited (CPHGC), the principal business of which is to own, operate and maintain two coal-fired power generation units of 660 MW each with ancillary Jetty in the province of Balochistan. The project achieved its Commercial Operation Date (COD) on August 17, 2019.

Pursuant to Memorandum of Understanding (MOU) dated December 23, 2016 with Government of Balochistan (GoB), HPHL and China Power International (Pakistan) Investment Limited (CPIPI) are committed to transfer 3% equity shareholding in CPHGC (1.5% each by the Company and CPIPI) to GoB. The transfer was required to be executed by COD. The legal process for transfer of shares is yet to be completed.

Sponsors' support for CPHGC

Pursuant to Sponsor Support Agreement entered into with the lenders of CPHGC, the Company is committed to arrange for working capital financing through HPHL amounting to USD 90.25 million in case CPHGC fails to arrange for working capital facility for its operations. This commitment is valid till the full repayment of project loans of CPHGC. Pursuant to the Deed of undertaking clause 2, debt service undertaking of USD 150 million shall survive till the last repayment of CPHGC long term loan.

Shares held by HPHL in CPHGC are pledged in favour of the Security Trustee in order to secure the Company and HPHL's obligations under the financing documents of CPHGC.

15.3.2 ThalNova Power Thar (Private) Limited (TNPTL)

TNPTL is a private limited company, incorporated in Pakistan on April 18, 2016. The principal activities of TNPTL are to develop, own, operate and maintain a 1 x 330 MW mine-mouth coal fired power plant (the Project) at Thar Block II, Thar Coal Mine, Sindh.

In 2019, the Company, through HPHL, acquired 38.3% ownership interest in TNPTL pursuant to Share Subscription Agreement (SSA) / Shareholders Agreement (SHA) entered between HPHL, TNPTL and its sponsors (Thal SPV and Nova SPV). As at June 30, 2025, HPHL has injected USD 52.074 million (Rs. 8,973 million) in TNPTL based on the estimated project cost. All the requirements of equity injection have been completed.

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Project status

On September 30, 2020, Private Power Infrastructure Board (PPIB) on behalf of the Government of Pakistan notified the achievement of Financial Close of TNPTL.

Under the Power Purchase Agreement (PPA), the Company's Required Commercial Operations Date (RCOD) was March 31, 2021. Considering the delay in RCOD, the Company requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with SECMC. CPPA(G) granted extension in the RCOD of the Company till June 30, 2022, subject to payment of undisputed High Voltage Direct Current (HVDC) Transmission Line charges under certain conditions, if charged to CPPA(G) by National Transmission and Dispatch Company Limited (NTDC), from the COD of HVDC Transmission Line under certain conditions.

Although CPPA(G) has raised invoices for payment of HVDC charges amounting to USD 31 million, the TNPTL has challenged the determination of the invoices, and has sought clarifications from CPPA(G), including provision of evidence of achievement of COD of the HVDC line. Till such time the required information is not furnished, there is no obligation on the TNPTL to make payment and therefore there is currently no exposure on the TNPTL in this regard.

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

Company's commitment to TNPTL

Under the SSA and SHA, subject to the term of financing documents, the Company is restricted to transfer or otherwise dispose the shares held in TNPTL or create encumbrance till the 6th anniversary of the COD of TNPTL.

In connection with the development of TNPTL's project and pursuant to Shareholders' Agreement dated March 25, 2019, the Company has obtained following approvals from shareholders in general meeting and is committed to:

- (i) Make investments in TNPTL up to an amount not exceeding USD 50.5 million (or PKR equivalent) by way of a subscription of shares. The investment amount has been enhanced in February 2023 by USD 1.8 million (or PKR equivalent). Such investment shall be made within a period up till December 2024 or such period until the liabilities/obligations of the sponsors of TNPTL remain undischarged, whichever is later. Total investment in TNPTL to date stands at USD 52.07 million (or PKR equivalent). The equity commitment stands completed in July 2023;
- (ii) undertake to the Lenders of TNPTL or to arrange and / or provide working capital financing to TNPTL, directly or through HPHL, equivalent to an aggregate amount of USD 23 million. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities / obligations are discharged, whichever is later;
- (iii) to assign its rights, benefits and interests in respect of any investment made in TNPTL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TNPTL) including the benefits of any indemnities, warranties and guarantees, in favour of the lenders of TNPTL, directly or through its subsidiary HPHL. Such investment commitment shall be for a period up till August 31, 2033 or such period until the liabilities / obligations are discharged, whichever is later. To fulfil this requirement the Company has signed subordination agreement on July 24, 2019;
- (iv) pledge its shares (if any) in TNPTL held by it from time to time, in favour of the Lenders of TNPTL, whether such shares are acquired directly by way of subscription or otherwise. Such investment commitment shall be for a period up till August 31, 2033 or such period until the liabilities / obligations are discharged, whichever is later. The Company, through HPHL, has executed Share Pledge Agreement on November 08, 2019 to fulfil this condition;

- (v) provide a guarantee (in the form of SBLC) for the benefit of TNPTL and Intercreditor Agent for an aggregate amount of USD 20 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 PCD, and (c) COD undertakings. Such investment commitment shall be for a period up till the earlier of PCD or July 31, 2026. On January 08, 2020, the Company issued Cost Overrun SBLC amounting to USD 19.68 million to the lenders of TNPTL which is valid till July 31, 2026. The facility is secured by way of pari passu charge over all present and future assets of the Company other than current assets;
- (vi) participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions ("Put Option / CRG Financiers") in favour of the foreign lenders and contributing payment up to USD 10 million (or PKR equivalent) ("Put Option / CRG Contribution Amount") under the same as primary obligor in accordance with the terms of the Agreement Regarding Procedures Following Event of Default. Such sponsor obligation shall be valid till August 31, 2033. Accordingly, the Company has entered into a Put Option Sponsor Support Agreement dated July 22, 2019 and fulfilled the condition by providing pari passu charge on the Company's assets, other than current assets;
- (vii) provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TNPTL is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest up to the extent of USD 7 million), or such other amount as may be agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such Sponsor obligation shall be valid till August 31, 2033. Accordingly, the Company has entered into a Put Option Sponsor Support agreement dated July 22, 2019 and fulfilled the condition by providing pari passu charge on the Company's assets, other than current assets;
- (viii) provide security in form and substance acceptable to the Put Option / CRG Financiers or such other alternate / additional security as the Put Option / CRG Financiers may require from time to time up to the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons. Accordingly, the Company has entered into a Put Option Sponsor Support agreement dated July 22, 2019 and fulfilled the condition by providing pari passu charge on the Company's assets, other than current assets; and pursuant to the Sponsor Support Agreements, the Company has agreed that in the event of devaluation of the Rupee and a consequent shortfall, the sponsors (including the Company) will provide coverage to HBL under the Put Option Facility. The Company has fulfilled obligations and provided an SBLC amounting to Rs. 2,250 million to secure the shortfall amount. The facility is initially secured through a raking charge over all current and future fixed assets of the Company, excluding land and buildings. This arrangement will be upgraded to a first pari passu charge. Additionally, HPHL will provide a lien and right of set-off over present and future dividends from CPHGC, as declared by CPHGC from time to time, this security will be called pursuant to occurrence of an Event of Default under the SBLC Agreement;
- (ix) provide (if required) a contractual commitment and a parent company guarantee to TNPTL guaranteeing the due and punctual performance of obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or the expiry of the O&M Agreement. On September 17, 2019, the Company provided Parent Company Guarantee to TNPTL in the form of a corporate guarantee as per the terms of the O&M agreement; and
- (x) Under the terms of the Power Purchase Agreement dated July 21, 2017, between TNPTL and the CPPA(G), as amended from time to time, TNPTL is required to provide a letter of credit in favor of CPPA(G) to secure certain obligations under the PPA ("PPA SBLC"). Since TNPTL does not have adequate security to fully secure its obligations under such a letter of credit, TNPTL has requested its Sponsors to provide replacement security. This security is provided by way of a ranking charge, to be upgraded to a first pari passu charge, on the Company's current and future fixed assets excluding land and buildings, amounting to Rs. 1,107 million inclusive of 20% margin.

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15.3.3 Prime International Oil & Gas Company Limited (Prime)

On March 08, 2021, Prime International Oil and Gas Company Limited (Prime), a 50:50 joint venture of the Company and ENI local employees — ‘the EBO Group’, executed Sale and Purchase Agreements (SPAs) to acquire all the upstream operations and renewable energy assets owned by ENI in Pakistan. The Company and the EBO Group have acquired 50% shareholding each in Prime, in accordance with the Shareholders’ Agreement (SHA) entered to such effect.

Under SPAs, Prime was required to complete certain conditions precedent within 18 (eighteen) months from the date of SPAs. These conditions include but not limited to (i) payment of a deposit as defined in SPAs and (ii) obtaining regulatory approvals from the government authorities.

HPHL paid an initial contribution in Prime amounting to Rs. 525 million on March 08, 2021, enabling Prime to make payment of deposit to ENI entities, fulfilling condition (i) above. This initial contribution included 50% contribution towards the payment of deposit by the EBO Group (Rs. 262.4 million), which was refunded to HPHL on June 08, 2021. Furthermore, under the SHA, HPHL invested Rs. 18.08 million in Prime on March 17, 2021, to meet transaction-related expenses for ENI entities’ acquisition. The transaction has been approved by Competition Commission of Pakistan as required under the relevant SPAs.

15.3.4 China Power Hub Operating Company (Private) Limited (CPHO)

On October 29, 2021, HPHL executed a Joint Venture Agreement (JV Agreement) with China Power International Maintenance Engineering Company Limited (CPIME), for establishing a joint venture in Pakistan for the purpose of, inter alia, providing operation, maintenance, and other services to China Power Hub Generation Company (Private) Limited (CPHGC) in connection with its 1320 MW coal fired power plant located in Hub Balochistan (CPHGC’s Plant) and to other customers. On January 20, 2022, China Power Hub Operating Company (Private) Limited (CPHO) was incorporated. HPHL’s shareholding in CPHO is 49%. On February 10, 2022, an Operations and Maintenance Agreement (the O&M Agreement) was executed between CPIME, CPHO and CPHGC. Pursuant to the O&M Agreement, CPHO was appointed to operate and maintain CPHGC’s Plant for a term of 6 years.

HPHL’s equity investment in CPHO amounts to Rs. 8.4 million. HPHL, in accordance with requirements specified in the O&M Agreement, has issued a corporate guarantee in favor of CPHGC as security for CPHO’s liabilities and obligations under the O&M Agreement. The total value of this guarantee is USD 11.98 million which will remain valid for the 6-year term of the O&M Agreement.

15.3.5 Mega Motor Company (Private) Limited (MMCPL)

MMCPL was incorporated in Pakistan on May 06, 2024 as a private limited company. The principal activity of the Company is to sale passenger vehicles. Initially, it was a wholly owned subsidiary, however, on December 03, 2024, the Company entered into a shareholders agreement with Mega Conglomerate (Private) Limited (MCPL) and Mega Motor Company (Private) Limited (MMCPL) whereby the Company offered 50% equity interest in MMCPL to MCPL. On February 28, 2025, the Company diluted its equity interest by 50% in MMCPL.

15.3.6 Ark Metal (Private) Limited (AMPL)

Ark Metals (Private) Limited (AMPL) was incorporated as a private limited company in Pakistan on October 10, 2023, under the Companies Act, 2017. During the year, the Company acquired 51.45% holding in AMPL. The principal activity of the company is to carry on the business of exploring, operating and working on mines, quarries and other related activities.

15.3.7 Hubco Green (Private) Limited (HGL)

During the year the holding company incorporated a wholly owned subsidiary, HUBCO Green (Private) Limited (HGPL), on November 01, 2024. The principal activity of HGPL is to carry on the business of installing, operating and maintaining electric vehicle charging systems.

15.4 Narowal Energy Limited (NEL)

NEL, a wholly owned subsidiary, was incorporated in Pakistan on November 03, 2015 as a public limited company. The principal activities of the subsidiary is to own, operate and maintain power plant. The subsidiary owns 214 MW (net) oil-fired power station in Punjab.

During the year, the Company engaged in negotiations with the Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] regarding amendments to the Power Purchase Agreement (PPA). As a result of negotiations, on February 14, 2025, the Company executed an Amendment Agreement with the Government of Islamic Republic of Pakistan (GOP) and CPPA(G) where certain indexation and tariff components have been revised.

15.5 Thar Energy Limited (TEL)

The Company has 60% controlling interest in TEL, Fauji Fertilizer Company Limited (FFCL) has 30% interest and CMEC TEL Power Investments Limited has 10% interest. TEL was incorporated in Pakistan on May 17, 2016 as a public limited company. The principal activities of TEL are to develop, own, operate and maintain a 1 x 330 MW mine-mouth coal fired power plant at Thar Block II, Thar Coal Mine, Sindh.

Project status

On January 30, 2020, Private Power Infrastructure Board (PPIB) on behalf of the Government of Pakistan notified the achievement of Financial Close (FC) of TEL.

Under the amended Power Purchase Agreement (PPA), the Company's Required Commercial Operations Date (RCOD) was March 31, 2021. Considering the delay in COD, the TEL requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company Limited (SECMC). CPPA(G) granted an extension of 237 days in the RCOD of the TEL till November 23, 2021, subject to payment of undisputed High Voltage Direct Current (HVDC) charges under certain conditions. Although CPPA(G) has raised invoices for payment of HVDC charges amounting to USD 23 million, the TEL has challenged the determination of the invoices, and has sought clarifications from CPPA(G), including provision of evidence of achievement of COD of the HVDC line. Till such time the required information is not furnished, there is no obligation on the TEL to make payment and therefore there is currently no exposure on the TEL in this regard.

TEL achieved Commercial Operations Date (COD) on October 01, 2022.

Company's commitments for TEL - Sponsors' support

For the development of TEL's project and pursuant to Share Holder's Agreement dated March 15, 2018, the Company has obtained following approvals from shareholders in general meeting and is committed to:

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FOR THE YEAR ENDED JUNE 30, 2025

- (i) undertake to the Lenders of TEL and to arrange and / or provide working capital financing to TEL equivalent to an aggregate amount of USD 36 million. Such investment shall be for a period up till December 2032;
- (ii) assign its rights in respect of any investment made in TEL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TEL), in favour of the Lenders of TEL. Such investment shall be for a period up till December 2032. In order to fulfil this condition, the Company has signed subordination agreement on December 20, 2018;
- (iii) execute the Share Pledge Agreement with lenders of TEL, whenever such shares are acquired directly by way of subscription or otherwise such investment shall be made for a period up till December 2033. The Company has executed the Share Pledge Agreement on July 08, 2019 including all necessary documentation related thereto and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith, as may be deemed appropriate and as mutually agreed with the Lenders of TEL including any amendments thereto, or as required by law;
- (iv) provide 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 PCD, and (c) COD undertakings. Such investment commitment shall be for a period up till the earlier of PCD or December 2025. On November 15, 2019, the Company issued Cost Overrun SBLC amounting of USD 30.420 million to the lenders of TEL. The facility is secured by way of pari passu charge over all present and future assets of the Company, other than current assets and other securities;
- (v) issued a sponsor SBLC to cover for the Initial Debt Service Reserve Account shortfall of an amount estimated not to exceed USD 20 million (or PKR equivalent) but which may be higher. Such obligation shall be valid for a period till the first payment of the installment of the loan or such other date that may be prescribed under the Sponsor Support Agreement. SBLC for USD 12.482 Million for Foreign lenders and SBLC for PKR 1,780 Million for Local Lender. These facilities are secured against a ranking charge on fixed asset excluding land and building and other securities;
- (vi) provide contractual commitments up to USD 22 million (or PKR equivalent) to Lenders for the purpose of TEL taking excess debt, which is over and above the cost approved by NEPRA. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032;
- (vii) participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions ("Put Option / CRG Financiers") to the foreign lenders and contributing payment of a sum not exceeding USD 15 million, ("Put Option / CG Contribution Amount") under the same as primary obligor and USD 10 Million as mark-up on the forced loan not settled by project company (if any) and any excess exposure on account of USD / PKR devaluation in accordance with the terms of the Put Option / CRG Agreement. Such sponsor obligation shall be valid till December 2032. Accordingly, the Company has entered into a Put Option Sponsor Support Agreement dated December 20, 2018 and fulfilled this condition by providing pari passu charge on the Company's assets, other than current assets;
- (viii) provide a contractual commitment and a parent company guarantee to TEL guaranteeing the due and punctual performance obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or December 2032. The Company has provided Parent Company Guarantee to TEL in the form of a corporate guarantee as per the terms of the O&M agreement; and

- (ix) Under the terms of the Power Purchase Agreement dated July 21, 2017, between TEL and the CPPA(G), as amended from time to time, TEL is required to provide a letter of credit in favor of CPPA(G) to secure certain obligations under the PPA ("PPA SBLC"). Since TEL does not have adequate security to fully secure its obligations under such a letter of credit, TEL has requested its Sponsors to provide replacement security. This security is provided by way of a ranking charge, to be upgraded to a first pari passu charge, on the Company's current and future fixed assets excluding land and buildings, amounting to Rs. 1,734 million.

15.6 Sindh Engro Coal Mining Company Limited (SECMC)

SECMC is a public unlisted company, incorporated in Pakistan on October 15, 2009. The principle activity of SECMC is to develop, construct and operate open cast lignite mine in Block II Thar Coal Mine, Sindh.

Pursuant to Share Holder's Agreement, the Company agreed to invest the equivalent of USD 20 million at or soon after Financial Close of SECMC or at such later time or times as required by the Financing Agreements of SECMC at a share price of Rs. 14.82 per share. As at June 30, 2025 the Company has injected USD 15.506 million (Rs. 1,909 million) [2024: USD 15.506 million (Rs. 1,909 million)] representing 8% equity stake in SECMC.

SECMC achieved its COD for Phase-I and Phase-II of the mine on July 10, 2019 and October 1, 2022 respectively, increasing the total capacity from 3.8 MPTA to 7.6 MPTA. The Thar Coal Energy Board (TCEB) approved a tariff of Block II.

In addition to the USD 20 million equity, the Company is committed to:

- Sponsor Support Guarantee to cover cost overruns for an amount not exceeding USD 5 million (in equivalent PKR), if at any time prior to the Project Completion Date a funding shortfall occurs. Each Sponsor is obligated to pay the cost overrun amount in cash, by way of subscription of SECMC shares or at the option of the Sponsors collectively, by way of a subordinated debt to SECMC. The shareholders during the EOGM held on January 14, 2016 approved the cost overrun support of USD 4 million and further approved the increase in cost overrun support to USD 5 million in the EOGM held on June 22, 2018. Since SECMC has achieved PCD for phase 1, the cost over run commitment stand reduce to USD 0.864 million.

The investment in SECMC for the purposes of cost overrun and PSRA will only be made in the event there is an overrun or shortfall, respectively. If the entire amount of Sponsor Support Guarantee to cover cost overrun is called and the entirety of the payment under the SBLC for PSRA shortfall is demanded, the maximum investment of the Company in SECMC shall be USD 31 million.

On February 26, 2016, the sponsors, including the Company, entered into a Sponsor Support Agreement with Habib Bank Limited as a condition precedent for the availability of loan facilities to SECMC. Pursuant to the terms and conditions set forth in the SSA, the Company has provided Sponsor Equity Contribution Letter of Credit in the form of an Irrevocable SBLC in favour of Habib Bank Limited, dated March 18, 2016 for a total amount not exceeding USD 12.650 million. The SBLC has been reduced to USD 1.752 million.

Additionally, a Share Pledge Agreement was also executed by the Shareholders of SECMC including the Company on March 09, 2016 in favour of the Security Trustee in accordance with the provisions of the Finance Documents whereby all shares of SECMC are pledged.

The Company has entered into definitive agreement for further acquisition of shares of SECMC. The completion of the proposed transaction is subject to necessary corporate and regulatory approvals, consent and other conditions.

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
16. LONG TERM LOAN TO SUBSIDIARY			
Considered good - interest bearing (unsecured)			
Loan to HPHL - a subsidiary company	16.1	<u>3,266,568</u>	<u>-</u>
16.1	The Company has provided HPHL an unsecured loan facility for an amount of up to Rs. 30,000 million with maturity in June 2027 (2024: Rs. 8,000 million) to meet its cash flow requirements, which 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 year was Rs. 23,003 million (2024: Rs. 5,471 million).		
17. STORES, SPARES AND CONSUMABLES	Note	2025	2024
In hand		1,962,910	2,110,621
Provision against slow moving stores, spares and consumables	17.1	<u>(1,529,925)</u>	<u>(1,472,432)</u>
		<u>432,985</u>	<u>638,189</u>
17.1 Movement in provision against slow moving stores, spares and consumables			
Opening balance		1,472,432	1,242,461
Provision for the year		57,493	229,971
Closing balance		<u>1,529,925</u>	<u>1,472,432</u>
17.2	This represents stores and spares costing Rs. 2,138 million carried at net realizable value, amounting to Rs. 1,963 million (2024: Nil).		
	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
18. STOCK-IN-TRADE			
Furnace oil		278,691	2,194,907
Diesel		<u>22,090</u>	<u>68,333</u>
		<u>300,781</u>	<u>2,263,240</u>
19. TRADE DEBTS			
Considered good - Secured			
Capacity Purchase Price (CPP)		-	37,181,400
Late Payment Interest (LPI)	19.2 & 28.8	-	25,620,733
Startup Charges (SC)		-	115,290
	19.3	<u>-</u>	<u>62,917,423</u>
19.1	Persuant to the NSA the PPA and IA terminated early with effect from October 1, 2024.		
19.2	This includes Nil (2024: Rs. 6,043 million) related to LPI which is not yet billed by the Company.		

- 19.3 This includes an amount of Nil (2024: Rs. 53,524 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 IA. The delay in payments from CPPA(G) carried mark-up at SBP Reverse Repo rate plus 2% per annum compounded semi-annually for all overdue amounts except Late Payment Interest invoices.

The aging of these receivables is as follows:

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Not yet due	19.2	-	9,393,848
Up to 6 months		-	21,826,158
6 months to 1 year		-	17,387,871
1 year to 2 years		-	2,784,405
Over 2 years		-	11,525,141
		<u>-</u>	<u>62,917,423</u>

20. LOANS AND ADVANCES

Considered good - non interest bearing

Loans - unsecured

Employees

2,068

2,031

Advances - unsecured

Executives

2,945

-

Employees

18

79

Suppliers

29,444

83,600

32,407

83,679

34,475

85,710

21. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments

90,421

83,075

Other receivables

Interest accrued

9,971

32,269

Income tax - Contractor tax refundable

21.1

372,469

372,469

Sales tax

8,300,887

8,461,344

Staff gratuity

26.1

44,275

-

Receivable from:

21.2

- HPSL

253,229

-

- LEL

-

2,999,201

- HPHL

562,574

456

- NEL

78,630

456

- TEL

33,224

-

- TEL against services agreement

-

2,043,415

- TNPTL against services agreement

-

167,222

Receivable against RFO

1,530,342

-

Workers' profit participation fund recoverable from CPPA(G)

28.3

5,017,957

5,017,957

Hub Power Services Limited - Pension Fund

-

106

Cash margin with banks

21.3

1,028,246

1,028,246

Miscellaneous

36,602

14,259

17,268,406

20,137,400

17,358,827

20,220,475

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 21.1 The Company and the power plant construction contractors had entered into a Turnkey Construction Contract (“TKC”). Under the terms of the TKC, the Company was required to pay all income tax liability on payments to contractors and sub-contractors. Under the Power Purchase Agreement (“PPA”) with CPPA(G), any tax paid by the Company on behalf of construction contractors and sub-contractors was to be reimbursed by CPPA(G).

Under the provisions of the Implementation Agreement (“IA”) between the Company and GOP it was agreed that payments to contractors and sub-contractors would be subject to 4% tax which would be full and final liability on account of income tax. Accordingly, the provisions of tax law were amended. However, in 1998, few years after the tax had been paid, FBR contended that Company was liable to pay tax at 8% instead of the agreed rate of 4% and was also liable to pay tax on taxes paid on behalf of contractors and sub-contractors on “tax on tax” basis at the corporate rates ranging from 52% to 58% instead of 4%. Accordingly, demand notices were issued and the Company was required to pay Rs. 966 million. On payment of Rs. 966 million, the Company immediately billed these amounts to CPPA(G). Against these demands by FBR, appeals were filed by the Contractors and Sub-Contractors which were decided in their favour. FBR has filed appeals before the courts which are pending adjudication.

On Company’s and other IPPs representation, the Economic Coordination Committee (“ECC”) of the Federal Cabinet of the GOP directed FBR to refund the tax recovered by it over and above 4%. FBR has so far refunded Rs. 593 million but withheld Rs. 373 million on the pretext that the ECC decision was not applicable on “tax on tax” issue and also because FBR has filed appeals before the courts which are pending adjudication.

The Company continued its discussions with the GOP and FBR for the balance refund of Rs. 373 million. As a result, the tax department passed revised orders recognising refunds aggregating to Rs. 300.5 million. The tax law specifies that once an order recognising refund is passed, only then a taxpayer can apply for issuance of refund order and refund cheque. Accordingly, the Company has filed applications with the tax department for issuance of refund orders and cheques for the above amounts. The Company is also pursuing the tax department for issuance of revised orders recognising the balance refund amounting to Rs. 72.5 million.

The management and their tax advisors are of the opinion that the position of the Contractors and the Company is strong on legal grounds and on the basis of the above referred orders, therefore, tax of Rs. 373 million will be refunded.

- 21.2 The amounts receivable from subsidiaries, associates and joint venture are neither past due nor impaired and are recoverable in ordinary course of business. The maximum aggregate amounts due at the end of any month during the year were as follows:

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
LEL		-	2,999,201
HPSL		253,229	517,624
HPHL		562,574	439,972
NEL		78,630	2,796,268
TEL		33,224	2,787,718
TNPTL		-	2,554,731
CPHO		-	10,972

- 21.3 This represents cash margin with bank as security for TEL amounting Rs. 450 million (2024: Rs. 450 million) and CMEC amounting Rs. 578 million (2024: Rs. 578 million) respectively.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
22. CASH AND BANK BALANCES			
Saving accounts	22.1 & 22.2	875,744	555,958
Bank placement	22.3	-	1,800,000
Cash at bank		875,744	2,355,958
Cash in hand		525	25
		876,269	2,355,983

22.1 Saving accounts carry mark-up rates ranging from 6.5% to 19.5% (2024: 19%) per annum.

22.2 This includes Rs. 479 million (2024: Rs. 448 million) restricted for dividend payable.

22.3 This represents TDR placement with bank amounting Nil (2024: Rs. 1,800 million).

23. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025 (No. of Shares)	2024		2025 (Rs. '000s)	2024 (Rs. '000s)
1,700,000,000	1,700,000,000	Authorised :	17,000,000	17,000,000
		Ordinary shares of Rs.10/- each		
		Issued, subscribed and paid-up:		
		Ordinary shares of Rs.10/- each		
958,773,317	958,773,317	For cash	9,587,733	9,587,733
		For consideration other than cash		
338,022,463	338,022,463	- against project development cost	3,380,225	3,380,225
358,607	358,607	- against land	3,586	3,586
338,381,070	338,381,070		3,383,811	3,383,811
1,297,154,387	1,297,154,387		12,971,544	12,971,544

23.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction. The Company may not pay dividend until certain financial requirements of lenders are satisfied.

23.2 Associated undertakings held 264,146,002 (2024: 264,146,002) shares in the Company as at year end.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

24. LONG TERM LOANS - Secured

From Banks / Financial Institutions	Note	As at July 01, 2024	Drawn	Repaid	Current Position	Amortisation of Transaction costs	As at June 30, 2025
----- (Rs. '000s) -----							
Hub plant TEL / CPHGC / SECMC / TNPTL investment							
Syndicated term finance facility		11,694,497	-	(11,694,497)	-	-	-
Islamic finance facility		3,121,196	-	(3,121,196)	-	-	-
		14,815,693	-	(14,815,693)	-	-	-
Transaction costs		(26,526)	-	-	-	26,526	-
Total	24.1	14,789,167	-	(14,815,693)	-	26,526	-

From Banks / Financial Institutions	Note	As at July 01, 2023	Drawn	Repaid	Current Position	Amortisation of Transaction costs	As at June 30, 2024
----- (Rs. '000s) -----							
TEL / CPHGC / SECMC / TNPTL investment							
Syndicated term finance facility		15,473,552	-	(3,779,055)	(4,024,176)	-	7,670,321
Islamic finance facility		4,061,789	-	(940,593)	(1,038,239)	-	2,082,957
Long Term Sukuk certificates I		1,750,000	-	(1,750,000)	-	-	-
Long Term Sukuk certificates II		2,500,000	-	(2,500,000)	-	-	-
		23,785,341	-	(8,969,648)	(5,062,415)	-	9,753,278
Transaction costs		(51,772)	-	-	10,651	25,246	(15,875)
Total		23,891,569	-	(9,127,648)	(5,051,764)	25,246	9,737,403

- 24.1 The PPA has been early terminated effective from October 1, 2024, due to which the Company decided to settle all long term loans subsequent to which all the related securities have also been released.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
25. LONG TERM LEASE LIABILITIES			
Opening balance		174,979	188,691
Finance cost charge during the year	11	20,664	26,163
Payments made during the year		(41,868)	(39,875)
		153,775	174,979
Less: Current maturity of lease liabilities		(25,695)	(20,687)
Long-term lease liabilities		128,080	154,292
26. TRADE AND OTHER PAYABLES			
Creditors			
Trade - PSO	1.1	-	28,146,763
Others		167	304
		167	28,147,067
Accrued liabilities			
Finance costs	28.2	75,680	5,335
Miscellaneous		1,437,695	1,255,798
		1,513,375	1,261,133
Unearned income		-	2,616,132
Payable to HPSL		-	7,624
Payable to TEL		-	22,188
Payable to TNPTL		258,661	285,965
Other payables			
Workers' profit participation fund	28.3	6,285,184	6,045,232
Staff gratuity	26.1	-	8,880
Retention money		2,492	2,492
Withholding tax		5,138	30,678
Miscellaneous		-	49,352
		6,292,814	6,136,634
		8,065,017	38,476,743
26.1 STAFF GRATUITY		(44,275)	8,880

Actuarial valuation was carried out as at June 30, 2025. The present value of defined benefit obligation has been calculated using the Projected Unit Credit Actuarial Cost Method. The details of the actuarial valuation are as follows.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Reconciliation of the net (asset) / liability recognised in the unconsolidated statement of financial position

Present value of defined benefit obligation	332,634	300,784
Fair value of plan assets	(376,909)	(291,904)
Net (asset) / liability recognised in the statement of financial position	(44,275)	8,880

Reconciliation of the movements during the year in the net liability recognised in the unconsolidated statement of financial position

Opening net asset	8,880	31,183
Expense recognised	46,806	42,496
Contributions made to the fund during the year	(41,100)	(55,000)
Remeasurement gain recognised in Other Comprehensive Income (OCI)	(58,861)	(9,799)
Closing net (asset) / liability	(44,275)	8,880

Note	2025	2024
	(Rs. '000s)	(Rs. '000s)

Expense recognised

Current service cost	44,242	36,291
Net interest	2,564	6,205
Expense recognised	46,806	42,496

Re-measurements recognised in OCI during the year

Remeasurement (gain) / loss on defined benefit obligations	(29,443)	9,183
Remeasurement gain on plan assets	(29,418)	(18,982)
	(58,861)	(9,799)

The movement in the defined benefit obligations are as follows

Present value of defined benefit obligation at opening	300,784	273,933
Current service cost	44,242	36,291
Interest cost	46,481	43,992
Benefits paid	(29,430)	(62,615)
Remeasurement (gain) / loss recognised in OCI	(29,443)	9,183
Present value of defined benefit obligation at closing	332,634	300,784

The movement in fair value of plan assets

Fair value of plan assets at opening	291,904	242,750
Expected return on plan assets	43,917	37,787
Contributions made	41,100	55,000
Benefits paid	(29,430)	(62,615)
Remeasurement gain recognised in OCI	29,418	18,982
Fair value of plan assets at closing	376,909	291,904

Actual return on plan assets

	73,335	56,769

	2025	2025	2024	2024
	%	(Rs. '000s)	%	(Rs. '000s)
Plan assets comprise of following:				
Pakistan Investment Bonds	46.82%	176,462	53.86%	157,216
Sukuk	2.66%	10,024	0.00%	-
Term Finance Certificate	4.13%	15,558	5.42%	15,814
Treasury Bills	20.68%	77,942	11.20%	32,699
Quoted shares	22.16%	83,511	18.91%	55,212
Cash and cash equivalents	3.55%	13,412	10.61%	30,963
	100.00%	376,909	100.00%	291,904

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Contribution expected to be paid to the plan during the next year	42,135	46,806

	2025	2024
Significant actuarial assumptions used in the actuarial valuation are as follows:		
- Valuation discount rate per annum	12.25%	14.75%
- Expected rate of return on plan assets per annum	15.00%	15.00%
- Expected rate of increase in salary level per annum	12.75%	14.75%
- Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1

Expected maturity analysis of undiscounted retirement benefit plan:

	Less than 1 year	Between 2 - 5 years	Between 6 - 10 years
	(Rs. '000s)		
Retirement benefit plan	43,592	104,734	393,704

Historical information of retirement benefit plan:

	2025	2024	2023	2022	2021
	(Rs. '000s)				
As at June 30					
Present value of defined benefit obligation	332,634	300,784	273,933	316,564	335,262
Fair value of plan assets	(376,909)	(291,904)	(242,750)	(326,436)	(354,796)
Deficit / (Surplus)	(44,275)	8,880	31,183	(9,872)	(19,534)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Sensitivity analysis on significant actuarial assumptions		
- Impact on defined benefit obligation - decrease / (increase)		
- Discount rate +0.5%	13,696	12,355
- Discount rate -0.5%	(14,615)	(13,161)
- Salary increases +0.5%	(13,715)	12,421
- Salary increases -0.5%	12,986	11,777

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

The plan exposes the Company to the actuarial risks such as:

Investment risks:

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual servicing period is longer than expected. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
27. SHORT TERM BORROWINGS			
Secured			
Financing from banks	27.1	1,546,821	14,657,173
Unsecured			
Privately placed Sukuks	27.2	-	6,000,000
Short term loan - HPHL	27.3	-	5,517,015
Short term loan - HPSL	27.4	276,000	393,920
Short term loan - NEL	27.5	2,227,969	-
		2,503,969	11,910,935
		4,050,790	26,568,108

- 27.1 The Islamic facility for short term loans available from a bank amounted to Rs. 9,000 million at mark-up 0.20% per annum above one / three month / six month KIBOR. The mark-up on the facility is payable in arrear. The facility will expire on 30th September 2025. Any late payment by the Company is subject to an additional payment of 2% per annum above the normal mark-up rate. The facilities are secured by way of ranking charge over the plant, machinery, stores and spare parts of the Company for the Hub plant.
- 27.2 The Company issued privately placed unsecured Sukuk certificates based on Musharaka amounting to Rs. 6,000 million at a mark-up of 0.10% (Bases Rate) per annum above six month KIBOR. The mark-up and the principal on the Sukuk was paid on November 4, 2024.
- 27.3 The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 12,000 million from HPHL, to meet its working capital requirements. This facility carries mark-up at the rate of 0.7% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any month end during the year was Rs. 5,647 million (2024: Rs. 5,825 million).
- 27.4 The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 500 million (2024: Rs. 500 million) from HPSL, to meet its working capital requirements. This facility carries mark-up at the rate of 0.75% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any month end during the year was Rs. 394 million (2024: Rs. 394 million).
- 27.5 The Company has arranged an unsecured short term loan facility for an amount of up to Rs. 20,000 million (2024: Rs. 20,000 million) from NEL, to meet its working capital requirements. This facility carries mark-up at the rate of 0.40% per annum above one month KIBOR payable on quarterly basis. The maximum aggregate amount outstanding at any time during the year was Rs. 7,799 million (2024: Rs. 4,185 million).

28. COMMITMENTS AND CONTINGENCIES

- 28.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 15 million (2024: Rs. 119 million).
- 28.2 Pursuant to the NSA dated October 17, 2024, the Power Purchase Agreement (PPA) with respect to the Hub Plant was prematurely terminated effective October 1, 2024. Based on in-house legal opinion, the Company believes the premature PPA termination being a situation beyond its reasonable control, falls within the ambit of an Excusable Event under the PEPI Agreement executed between the Company and General Electric Global Services GmbH (GEGS) therefore, no termination or residual value payments are payable to GEGS. However, as a matter of prudence, a provision of USD 2.2 million has been recognised in these unconsolidated financial statements.

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- 28.3 The Company had filed a petition in the Honorable Sindh High Court (SHC) on June 28, 2000, challenging the application of the Companies Profits (Workers' Participation) Act, 1968 (the Act) on the grounds, that since its inception, the Company had not employed any person who falls within the definition of the term "Worker" as it has been defined in the Act.

The petition was filed subsequent to the service on the Company of a letter of March 14, 2000, by the Labour, Manpower, and Overseas Pakistanis Division, directing the Company to allocate 5% of its net profit (since its establishment) towards the Workers' Profit Participation Fund. The said notice demanded that the Company deposit the entire amount of the Fund in the Federal Treasury. The petition had been filed against the Federation of Pakistan through the Secretary, Ministry of Labour, Manpower and Overseas Pakistanis/Division and, in view of the fact that any payment made by the Company to the Fund is a pass-through item under the PPA and against the CPPA(G) as a pro forma party in the matter.

In December 2003, the Company decided on a fresh legal review of the petition and thereafter was advised by counsel to withdraw the petition and to immediately file a fresh petition incorporating all the available grounds. Accordingly, on December 17, 2003, the Company withdrew the petition and immediately refiled a new petition, which incorporated all the available grounds.

Both the Company and CPPA(G) agreed that this petition should proceed, and a judgment obtained on merits. During the year ended June 30, 2011, the petition was dismissed by the Honorable SHC. Against the decision of the SHC, the Company filed petition for leave to appeal before the Honorable Supreme Court of Pakistan (SCP). In December 2011, the Honorable SCP set aside the judgement of the Honorable SHC and directed it to decide the case afresh. The matter is pending adjudication before the Honorable SHC.

As of June 30, 2025, the total financial exposure relating to the above case is Rs. 45,198 million (Rs. 3,136 million being the 5% of the profit and Rs. 42,062 million interest component and penalty on delayed payment). No provision has been made in these unconsolidated financial statements as any contribution made by the Company is a pass-through item under the PPA till June 30, 2024.

Following the amendments made by the Finance Act, 2006 to the Act, the Company established the Hubco Workers' Participation Fund on August 03, 2007, to allocate the amount of annual profits stipulated by the Act for distribution amongst worker(s) eligible to receive such benefits under the Act and any amendments thereto from time to time.

The Honorable SCP vide its judgement dated November 10, 2016, set aside the amendments made to the Act by Finance Acts of 2006, 2007 and 2008 as ultra vires to the provisions of the Constitution of Pakistan (the Constitution). Accordingly, the provisions of the Act are to be read as if the amendments brought about by the said Finance Acts were never made and the defined term "Worker" reverted to its original definition of prior to Finance Act 2006. However, the Federal Board of Revenue (FBR) has filed a review petition with the Honorable SCP in respect of the said decision.

Pursuant to the 18th Amendment to the Constitution (the 18th Amendment), the Sindh Provincial Assembly passed the Sindh Companies Profits (Workers' Participation) Act, 2015 (the Sindh Act).

Accordingly, following the enactment of the 18th Amendment, and amongst other things, labour matters became a Provincial subject and pursuant to the Sindh Act and the SHC Order, the 1968 Act was fractured into provisional legislation and the Fund created by the Company in 2007 became dysfunctional and was unable to carry out its objectives. Therefore, the Company recommended to the Trustees of the Fund that the same be dissolved. The Fund was dissolved on June 27, 2019, and the 5% WPPF allocated by the Company since July 1, 2015, and the interest earned on that allocated amount (Rs. 1,524 million allocated by the Company and Rs. 258 million interests earned by the Fund on the allocated amount) was transferred back to the Company. These funds are being utilized by the Company till a final decision of the Honorable SCP.

On February 12, 2018, the Honorable SHC passed an Order (SHC Order) in respect of the Sindh Act, holding that for trans-provincial companies the location of the workers should be considered, and an allocation should be made accordingly. The SHC Order further devised a mechanism to compute contributions for trans-provincial companies. In July 2018, the Honorable SCP suspended the SHC Order. In July 2023, HUBCO has filed an intervenor application CMA No. 5937/2023 and impleaded as a party in C.A No. 951/2018 in OGDCL vs Federation of Pakistan & others before the Supreme Court of Pakistan. Whereby the SCP is to decide on the applicability of WPPF laws on entities which are “trans-provincial”. The Board has directed the management to proceed accordingly once the matter is finally decided by the SCP so that there is a clear way forward.

- 28.4 In December 2023, the Company received two 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 challenged the impugned orders by the learned Single Bench of the Baluchistan High Court at Quetta before the Supreme Court of Pakistan (SCP) which has reverted the matter back to the High Court being interim orders by the BHC. Regular hearings are taking place and the respondents have all filed their responses to the petitions filed by the Company. The matter is pending before the BRA and the BHC. 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 legal advisors are of the opinion that the position of the Company in respect of aforementioned matters is sound on technical basis and eventual outcome is expected to be in favour of the Company.

- 28.5 (i) Under the IA with GOP and under the tax laws, the Company’s interest income was exempt from income tax. However, the tax authorities issued tax demands for the tax years 2006-2010 & 2011 amounting to Rs. 139 million and Rs. 3.2 million respectively on the grounds that interest income from term deposits is not covered under the exemption allowed under the tax law. The Company’s appeal before the Commissioner of Inland Revenue Appeals (“CIR-A”) and the Appellate Tribunal Inland Revenue (“ATIR”) were rejected. Against the order of the ATIR the Company filed appeals before the Honorable Islamabad High Court (“IHC”) which were also decided against the Company. Against the decision of the IHC, the Company filed appeals before the SCP which are pending adjudication. The Company’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 488 million and Rs. 8 million respectively.

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- (ii) FBR also imposed 2% Workers Welfare Fund ("WWF") for tax years 2006-2010 and 2011 and issued a demand of Rs. 191 million and Rs. 108.5 million respectively. The Company filed appeals before the CIR-A who while maintain the orders of the FBR, reduced the amount of demand of Rs. 191 million to Rs. 8 million. The Company filed appeals before the ATIR which were rejected. Against the order of the ATIR, the Company filed appeals before the IHC which held that the orders on WWF were void. The IHC also held that WWF would be applicable in accordance with the law prior to the changes made through Finance Act 2006 and 2008. Against the decision of the IHC, the Company filed appeals before the SCP which are pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 21 million and Rs. 255 million respectively. WWF is recoverable from the CPPA (G) being a pass through under the PPA till June 30, 2024.
- (iii) Under the IA with GOP and under the tax laws, the Company's interest income was exempt from income tax. However, during March 2015, FBR issued tax demand for the tax year 2013 amounting to Rs. 4 million on the grounds that interest income from term deposits is not covered under the exemption allowed under the tax law. The Company filed appeal before the CIR-A who deleted the tax demand. Against the order of CIR-A, FBR filed appeal before the ATIR which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 11 million.
- (iv) FBR also imposed 2% WWF for the tax year 2013 and issued a demand for Rs. 162 million. The Company filed appeal before the CIR-A who remanded back the case to FBR for a fresh assessment. Against the order of CIR-A, FBR filed appeal before the ATIR which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 463 million. WWF is a pass through under the PPA and is recoverable from CPPA(G) till June 30, 2024.
- (v) Under the IA with GOP and under the tax laws, the Company's interest income was exempt from income tax. However, in June 2020, FBR issued a tax demand of Rs. 27 million relating to fiscal year ended June 2014 on the ground that interest income is not covered under the exemption allowed under the tax law. Consequently, FBR also imposed 2% WWF on this interest income. The CIR-A decided the issue of tax on interest income against the Company while the issue of WWF has been remanded back to FBR for reassessment. After dismissal of the Company's appeal at the CIR-A level, the Company filed appeal with the ATIR which is pending adjudication. On application the ATIR has granted stay till final decision. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 49 million.

The management and their tax and legal advisors are of the opinion that the position of the Company in respect of aforementioned matters is sound on technical basis and eventual outcome is expected 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.

- 28.6
- (i) In November 2012, FBR passed an order for the recovery of sales tax amounting to Rs. 8,519 million relating to fiscal years ended June 2008 to 2011. In FBR's view the Company had claimed input tax in excess of what was allowed under the law. After dismissal of the Company's appeal at the CIR-A level, the Company filed appeal with the ATIR which decided the case in its favour. Against the judgment of the ATIR, FBR filed appeal with the IHC which is pending adjudication. The Company's maximum exposure as at June 30, 2025, including the principal amount, penalty and default surcharge is approximately Rs. 30,327 million.

- (ii) In March 2014, FBR passed an order for the recovery of sales tax amounting to Rs. 3,442 million relating to fiscal year ended June 2012. In FBR's view the Company had claimed input tax in excess of what was allowed under the law. After dismissal of the Company's appeal at the CIR-A level, the Company filed appeal with the ATIR which also decided the case against the Company. Against the decision of the ATIR, the Company filed appeal with IHC which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 10,839 million.
- (iii) In April 2014, FBR issued a show cause notice to recover sales tax amounting to Rs. 3,692 million relating to fiscal year ended June 2013. In FBR's view, the Company had claimed input tax in excess of what was allowed under the law. The Company filed a Writ Petition in the IHC which remanded back the case to FBR with a direction to finalise the matter once identical issue is decided by IHC / LHC in other cases. Against this decision, FBR has filed intra court appeal with IHC which is pending adjudication. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 3,692 million.
- (iv) In January 2015, FBR issued a show cause notice to recover sales tax amounting to Rs. 4,130 million relating to fiscal year ended June 2014. In FBR's view, the Company had claimed input tax in excess of what was allowed under the law. The Company filed a Writ Petition in the IHC which remanded back the case to FBR with a direction to finalise the matter once identical issue is decided by IHC / LHC in other cases. Against this decision, FBR has filed intra court appeal with IHC which is pending adjudication. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 4,130 million.
- (v) In October 2018, FBR issued a show cause notice to recover sales tax amounting to Rs. 3,483 million relating to fiscal year ended June 2016. This is based on FBR's view, that the Company had claimed input tax in excess of what was allowed under the law, amongst others. The Company filed a Writ Petition in the IHC which asked FBR not to pass a final order till next hearing. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 3,483 million.
- (vi) In November 2018, FBR issued a show cause notice to recover sales tax amounting to Rs. 2,665 million relating to fiscal year ended June 2017. This is based on FBR's view including the point that the Company had claimed input tax in excess of what was allowed under the law. The Company filed a Writ Petition in the IHC which asked FBR not to pass a final order till next hearing. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 2,665 million.
- (vii) In December 2018, FBR issued a show cause notice for the recovery of sales tax amounting to Rs. 412 million on the ground that the Company has claimed excess input tax during different tax periods. In March 2019 on representation FBR reduced the amount and issued demand notice amounting to Rs. 31 million. The Company filed appeal with the CIR-A who remanded back the case to FBR for reassessment. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 40 million.
- (viii) In March 2021, FBR issued a show cause notice for the recovery of sales tax amounting to Rs. 8,212 million relating to fiscal years ended June 2018 to 2019. However, a final demand of Rs. 5,717 million was issued in April 2021. In FBR's view, the Company had claimed input tax in excess of what was allowed under the law. After dismissal of the Company's appeal at the CIR-A level, the Company has filed appeal with the ATIR which is pending adjudication. Meanwhile the ATIR has granted stay till decision of the main appeal. The Company's maximum exposure as at June 30, 2025 including the principle amount, penalty and default surcharge is approximately Rs. 8,495 million.

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- (ix) In April 2022, FBR issued show cause notices for the recovery of sales tax amounting to Rs. 7,104 million relating to fiscal year ended July 2019 to June 2020. However, a final demand of Rs. 1,765 million was issued in January 2023. In FBR's view, the Company has (i) not paid GST on Late Payment Interest received under PPA and on turnover and (ii) claimed input tax on items which has not been used for supply of electrical energy.

After dismissal of the Company's appeal at the CIR-A level, the Company filed appeal with the ATIR which is pending adjudication. Meanwhile on application the ATIR has granted stay against recovery. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 2,266 million.

- (x) In November 2023, FBR issued show cause notice for the recovery of sales tax amounting to Rs 1,888 million relating to fiscal year July 2020 to June 2021. However, a final demand of Rs. 1,387 million was issued in April 2024. In FBR's view, the Company has (i) not paid GST on Late Payment Interest received under PPA, (ii) claimed input tax on items which has not been used for supply of electrical energy and (iii) not apportioned input GST tax which may have been used both for taxable and non-taxable activities. Company filed appeal with the ATIR which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principle amount, penalty and default surcharge is approximately Rs. 1,542 million.

- (xi) In November 2023, FBR issued show cause notice for the recovery of sales tax amounting to Rs. 4,510 million relating to fiscal year ended June 2022. However, a final demand of Rs. 3,403 million was issued in May 2024 which was received by the Company in August 2024. In FBR's view, the Company has (i) not paid GST on Late Payment Interest received under PPA, (ii) claimed input tax on items which has not been used for supply of electrical energy and (iii) not apportioned input GST tax which may have been used both for taxable and non-taxable activities. Company filed appeal with the ATIR which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principle amount, penalty and default surcharge is approximately Rs. 3,801 million.

- (xii) In September 2024, FBR issued show cause notice for the recovery of sales tax amounting to Rs. 6,739 million on various issues relating to fiscal year ended June 2023. However, a final demand of Rs. 1,312 million was issued in May 2024 which was received by the Company in November 2024. In FBR's view, the Company has not paid GST on Late Payment Interest received under PPA. Company filed appeal with the ATIR which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principle amount, penalty and default surcharge is approximately Rs. 1,439 million.

- (xiii) In November 2024, FBR issued show cause notice for the recovery of sales tax amounting to Rs. 4 million relating to fiscal year ended June 2023 on the ground that the Company failed to pay GST on disposal of fixed assets. However, a final demand of Rs. 4.3 million was issued in March 2025. In FBR's view, the Company such a disposal constitutes business / taxable activity of the Company and was chargeable sales tax. Company filed appeal with the CIR-A which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principle amount, penalty and default surcharge is approximately Rs. 4.3 million.

The matter stated above in respect of claiming excess input tax has already been decided by the Honorable Lahore High Court ("LHC") in favor of other IPPs in similar cases. Against this decision FBR has filed appeals in the SCP.

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.

- 28.7 (i) Under the IA with the GOP and under the tax law, the Company is exempt from the levy of minimum tax. In June 2012, FBR issued demand notices amounting to Rs. 435 million relating to the tax years 2006 to 2008 & 2010 to 2011. After the Company's appeals were rejected by the CIR-A, further appeals were filed with the ATIR, which has decided the appeals in favour of the Company. Against ATIR orders, FBR has filed appeals in the IHC which are pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 1,227 million.
- (ii) Under the Operation & Maintenance Agreement ("O&MA") with the ex-operator for the Hub plant, the Company used to pay fixed and variable fees to the operator. In January 2015, FBR passed an order amounting to Rs. 1,034 million relating to the tax years 2010 to 2013 for the recovery of Federal Excise Duty ("FED"). FBR viewed services under O&MA as a franchise agreement and not a service agreement and decided that payments made thereon were in nature of technical fees which were subject to FED. After dismissal of the Company's appeal at the CIR-A & the ATIR, the Company filed appeals with the IHC which decided the case in Company's favor. The FBR filed appeal before the SCP which was dismissed in March 2025. FBR is expected to file review petition before the SCP. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 3,060 million.
- (iii) Under the O&MA with the ex-operator for the Hub plant, the Company used to pay fixed and variable fees to the operator. In December 2017, FBR issued a show cause notice for the recovery of FED amounting to Rs. 911 million relating to the tax years 2014 to 2017. FBR viewed services under O&MA as a franchise agreement and not a service agreement and decided that payments made thereon were in nature of technical fees which were subject to FED. The Company filed a Writ Petition in the IHC which disposed off the petition with direction to FBR to decide the proceedings initiated under the impugned show-cause notice after providing opportunity of hearing to the Company. Consequent to IHC direction, the FBR issued SCN which has been complied by the Company. The matter is pending with the FBR. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 911 million.
- (iv) Payment to PSO under the Fuel Supply Agreement (FSA) including payment of Late Payment Interest (LPI) are exempt from withholding of income tax under the provisions of the tax law. During 2014, FBR issued Show Cause Notices (SCN) to recover tax amounting of Rs. 1,677 million relating to the tax years 2012 to 2014 on the pretext that LPI paid to PSO under the FSA is a payment of "profit on debt". The Company filed Writ Petitions before the IHC which were decided against the Company. The Company filed further appeals with IHC which were rejected. The Company's maximum exposure as at June 30, 2025 is approximately Rs. 1,677 million.
- (v) In October 2019, FBR issued income tax demand of Rs. 266 million relating to fiscal year ended June 2016. This is based on FBR's view that Company's receipt on account of Supplemental Charges (SC) are taxable and Capacity Purchase Price (CPP) is liable for minimum tax. FBR issued demand for WWF as well. The Company filed appeal with the CIR-A who decided the issue of tax on SC & CPP against the Company while the issue of WWF has been remanded back to FBR for reassessment. After dismissal of the Company's appeal at the CIR-A level, the Company filed appeal with the ATIR which is pending adjudication. On application, the ATIR granted stay. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 460 million.
- (vi) In December 2019, FBR issued a demand of Rs. 19 million relating to fiscal year ended June 2016. This is based on FBR's view that the Company had not deducted tax on payments to supplier. The Company filed appeal with the CIR-A who decided the case against the Company. After dismissal the Company filed appeal with the ATIR, which has annulled the order passed by the FBR. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 34 million.

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- (vii) In October 2022, FBR issued an order amounting to Rs. 992 million (Order) relating to fiscal year ended June 2021 against the consolidated tax return filed by the Company along with its subsidiaries i.e. HPSL and HPHL in accordance with the tax law. This is based on FBR's view that certain expenses claimed as deductible were not in accordance with the law. The Company filed an appeal with the CIR-A who decided the case partially in favour of the Company. Against decision of the CIR-A, the Company filed an appeal with ATIR, which is pending adjudication. Meanwhile, on Company's application the FBR revised the Order from Rs 992 million to Rs. 257 million. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 257 million on July 8, 2025.
- (viii) In June 2023, FBR issued an order amounting to Rs. 2.6 million (Order) relating to fiscal year ended June 2017 against the consolidated tax return filed by the Company along with its subsidiaries namely HPSL and HPHL in accordance with the tax law. This is based on FBR's view that the Company and its subsidiaries had not deducted tax in accordance with the law. The Company filed an appeal with the CIR-A who annulled the order. Against decision of the CIR-A, the FBR filed an appeal with ATIR, which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 4 million.
- (ix) In September 2023, the Sindh Revenue Board ("SRB") issued demand of Rs 1,935 million. This is based on SRB view that services provided by the Company to Thar Energy Limited ("TEL") and Thal Nova Power Thar (Pvt.) Limited ("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 (CIR-A SRB) who decided the case against the Company. Against decision of the CIR-A SRB, the Company filed an appeal with Appellate Tribunal SRB (ATSRB), which is pending adjudication. On application the High Court of Sindh has granted stay against recovery. Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs 2,829 million. If the Company is required to pay this amount Rs 1,799 million would be recovered from TEL under the contract.
- (x) In October 2023, FBR issued an order amounting to Rs. 888 million (Order) relating to fiscal year ended June 2022 against the consolidated tax return filed by the Company along with its subsidiaries namely HPSL and HPHL in accordance with the tax law. 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 law. The Company filed an appeal with the CIR-A who remanded back the case to FBR for reassessment of the case. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 1,111 million.
- (xi) In March 2024, FBR issued a Show Cause Notice (SCN) 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 along with its subsidiaries namely HPSL, HPHL & 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 IHC which held that dividend income is not subject to super tax. Against IHC decision FBR filed appeal before the IHC which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including principal amount penalty and default surcharge is approximately Rs 295 million.
- (xii) In October 2023, FBR issued a SCN amounting to Rs. 940 million on the grounds that for the tax year 2018, the Company had not deducted income tax on certain payments. The Company filed the response to the SCN, however, in July 2024, FBR issued a tax demand of Rs. 364 million. The Company has filed an appeal with ATIR, which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs 400 million.

(xiii) In December 2024, FBR issued notice for payment of Rs. 76 million being advance tax for the quarter ended December 2024. FBR was informed that no advance tax was payable by the Group since it has already paid excess tax compared to its advance tax liability, and therefore, no further advance tax was payable. Nevertheless, FBR issued demand of Rs. 81 million. The Company has filed an appeal with ATIR, which is pending adjudication. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 92 million.

(xiv) In January 2025, FBR issued a show cause notice for payment of super tax amounting to Rs. 2,337 million ("Notice") relating to fiscal year ended June 2024 against the consolidated tax return filed by the Company alongwith its subsidiaries namely HPSL, HPHL & NEL in accordance with the tax law. FBR was of the view that Company's dividend income amounting to Rs. 23,374 million was subject to super tax. The FBR was required to drop the proceedings as the issue of super tax on dividend income had already been decided in Company's favor by the IHC which held that dividend income is not subject to super tax. Nevertheless, the FBR issued final demand of Rs. 2,337 million. On appeal the ATIR decided the matter in favor of the Company. The Company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 2,602 million.

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 is expected to be in favour of the Company. Pending the resolution of the matters stated above, except where specified, no provision has been made in these unconsolidated financial statements.

28.8 Pursuant to the FSA dated August 03, 1992, between the Company and Pakistan State Oil Company Limited (PSO), PSO supplied 128,000 Metric Tons (MT) of Residual Furnace Oil (RFO) as "First Fill" at no charge to the Company in 1996. Since 1996, there had been correspondence exchanged amongst PSO, WAPDA and the Company. PSO, in earlier days, sought payment for the cost of the First Fill RFO from WAPDA and the Company. Both WAPDA and the Company refused to make payment, citing that PSO's obligation under the FSA to supply First Fill RFO to the Company was at no charge.

PSO continued to claim the cost of the First Fill RFO from WAPDA. In fact, such cost was recorded in PSO's audited accounts as a receivable due from WAPDA. The relevant disclosure in the PSO's audited accounts explicitly stated that a letter was signed between PSO and WAPDA on August 5, 1992 under which WAPDA undertook to pay PSO the cost of First Fill. Later through the intervention of President of Pakistan, an interest free loan of Rs. 802 million was sanctioned to WAPDA to enable it to settle PSO's claim for First Fill RFO. Following the payment to PSO, WAPDA started claiming reimbursement of the cost of the First Fill from the Company. The Company denied the same. The Company's position was that it was under no obligation to pay to PSO under FSA.

In 2015, CPPA(G) through back-to-back arrangements with WAPDA succeeded all the rights and obligations of WAPDA under the existing Power Purchase Agreement. On November 1, 2017, CPPA(G) wrote to the Company requesting a meeting to discuss the payment of First Fill amounting to Rs. 802 million, along with late payment interest. On November 10, 2017, the Company wrote to CPPA(G) that the Company is under no obligation for any payment with regards to the First Fill and considered the matter closed. On June 13, 2018, CPPA(G) communicated CPPA(G)'s decision to the Company to adjust the amount of Rs. 802 million together with interest thereon aggregating to Rs. 11,525 million against the Company's outstanding LPI invoices.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Due to the above-mentioned action of CPPA(G), the Company was constrained to file a suit before the Honorable SHC (i.e., Suit No. 1411 of 2018) for a declaratory injunction against CPPA(G). The Honorable SHC via its Order dated July 9, 2018, directed that status quo be maintained with respect to the amount demanded by CPPA(G) from the Company on account of the First Fill and restrained CPPA(G) from adjusting the First Fill claim amount.

In light of CPPA(G)'s continuous violation of the orders of the Honorable SHC and in order to protect its interests, the Company filed Suit No. 95 of 2021, wherein the SHC passed an ad-interim order restraining the CPPA(G) from deducting / adjusting the amount for the First Fill RFO supplied to the Company by PSO i.e., amount of Rs. 802 million together with interest thereon aggregating to Rs. 11,525 million.

Pursuant to the Master Agreement dated February 11, 2021 between the Company and CPPA(G), both parties filed an application dated March 03, 2021, wherein the Honorable SHC disposed off Suit No. 95 of 2021 and a consent order was obtained from the Honorable SHC which stated that CPPA(G) would participate in the arbitration proceedings as and when initiated by the Company, pursuant to Section 15.4(d) of the PPA, to resolve the First Fill Dispute. The Arbitration was successfully concluded and the Arbitration Award was passed by the Tribunal in favour of the Company in November 2023. The Company filed the Award to make it a Rule of Court. On October 17, 2024, the Company entered into an NSA for the early termination of all agreements related to the Hub Plant, with CPPA(G). Following the signing of NSA, the parties have withdrawn their respective applications with respect to the Rule of Court proceedings and all applications have been dismissed as withdrawn via Court order dated January 25, 2025. The Company has no further obligation to pay any amount in relation to the first fill.

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts incurred during the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company were as follows:

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Chief Executive			
Managerial remuneration		89,416	65,065
Bonus		31,250	25,000
Other benefits		16,035	13,967
		136,701	104,032
Number of persons		1	1
Directors			
Fees	29.1	11,100	9,300
Number of persons	29.3	8	8
Executives			
Managerial remuneration		358,397	258,159
Bonus		52,088	65,751
House rent		89,801	116,171
Utilities		5,384	25,816
Retirement benefits		38,562	55,144
Other benefits		29,631	263,461
		573,863	784,502
Number of persons	29.3	66	98
Total			
Managerial remuneration / Fees		458,913	332,524
Bonus		83,338	90,751
House rent		89,801	116,171
Utilities		5,384	25,816
Retirement benefits		38,562	55,144
Other benefits		45,666	277,428
		721,664	897,835
Number of persons		75	107

29.1 This represents fee paid to the Directors of the Company for attending meetings.

29.2 The Chief Executive and certain Executives are provided with the use of Company maintained automobiles and certain other benefits.

29.3 The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

29.4 The above figures do not include effect of cost allocated to subsidiary companies / associate amounting to Rs. 705 million (2024: Rs. 312 million).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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30 RELATED PARTY TRANSACTIONS

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

	2025 (Rs. '000s)	2024 (Rs. '000s)
Subsidiaries		
Laraib Energy Limited		
Reimbursable expenses incurred on behalf of subsidiary	432,717	193,018
Receipts against reimbursement of expenses from subsidiary	408,860	259,824
Dividend received	6,544,029	3,259,717
Hub Power Holdings Limited		
Reimbursable expenses incurred on behalf of subsidiary	82,596	12,435
Receipts against reimbursement of expenses from subsidiary	-	24,741
Interest expense on loan from subsidiary	16,167	352,680
Interest income on loan to subsidiary	479,522	452,803
Payments against interest expense on loan from subsidiary	16,167	352,680
Receipt against interest income on loan to subsidiary	-	640,222
Dividend received	-	3,509,598
Hub Power Services Limited		
Reimbursable expenses incurred on behalf of subsidiary	355,129	244,759
Transfer of fixed assets to the subsidiary	24,314	-
Receipts against reimbursement of expenses from subsidiary	100,077	420,083
Reimbursable expenses incurred by subsidiary	18,514	2,563
Amount paid for O&M services rendered	50,400	170,000
Dividend received	1,220,000	675,000
Interest expense on loan from subsidiary	24,941	20,085
Payments against interest on loan from subsidiary	24,941	20,914
Narowal Energy Limited		
Reimbursable expenses incurred on behalf of subsidiary	300,854	85,601
Sales of Furnance oil	76,172	-
Receipts against reimbursement of expenses from subsidiary	312,043	166,788
Interest expense on loan from subsidiary	236,040	256,428
Payment against interest on loan from subsidiary	236,040	303,077
Interest income on loan to subsidiary	-	9,127
Receipts against interest on loan to subsidiary	-	9,127
Dividend received	10,148,440	7,000,762

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Thar Energy Limited			
Reimbursable expenses incurred on behalf of subsidiary		59,537	76,493
Receipts against security		-	289,039
Receipts against reimbursement of expenses from subsidiary		255,121	9,829
Receipts against services agreement		1,791,822	296,623
Other related parties			
Receipts against services rendered to TNPTL		167,222	2,227,993
Reimbursable expenses incurred on behalf of TNPTL		27,304	56,261
Receipts against security		-	289,039
Receipts against reimbursement of expenses from TNPTL		-	152,760
Remuneration to key management personnel			
Salaries, benefits and other allowances		207,181	160,382
Retirement benefits		10,133	7,819
	30.1 & 30.3	217,314	168,201
Directors' fee	29.1	11,100	9,300
Contribution to staff retirement benefit plans of the Company		60,152	70,535
Contribution to staff retirement benefit plans of HPSL		53,036	54,063
Contribution to staff retirement benefit plans of TEL		128	590
Contribution to staff retirement benefit plans of LEL		-	1,578

- 30.1 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.
- 30.2 The transactions with related parties are made under mutually agreed terms and conditions.
- 30.3 The above figures do not include effect of cost allocated to subsidiary companies amounting to Rs. 171 million (2024: Rs. 94 million).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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31 RELATED PARTIES AND ASSOCIATED COMPANIES / UNDERTAKINGS

Following are the details of related parties and associated companies / undertakings with whom the Company had entered into transactions or had arrangements in place during the year:

Particulars	Relationship	% equity interest
Laraib Energy Limited	Subsidiary	74.95%
Hub Power Services Limited	Subsidiary	100%
Hub Power Holdings Limited	Subsidiary	100%
Narowal Energy Limited	Subsidiary	100%
Thar Energy Limited	Subsidiary	60%
Thalnova Power Thar (Private) Limited	Associate	38.3% via HPHL
Sindh Engro Coal Mining Company Limited	Common Directorship	8%
Askari Bank Limited	Common Directorship	-
Fauji Fertilizer Company Limited	Common Directorship/ Interested Persons	-
TPL Trakker Limited	Interested Persons	-
Pakistan State Oil	Interested Persons	-
Bank Al-Habib Limited	Interested Persons	-
Bank Alfalah Limited	Interested Persons	-
Meezan Bank Limited	Interested Persons	-
Habib Bank Limited	Interested Persons	-
Habib Metropolitan Bank Limited	Interested Persons	-
United Bank Limited	Interested Persons	-
Faysal Bank Limited	Interested Persons	-
Allied Bank Limited	Interested Persons	-
Mr. Muhammad Saqib	Key Management Personnel	-
Mr. Muhammad Kamran Kamal	Key Management Personnel	-
Ms. Faiza Kapadia Raffay	Key Management Personnel	-
Mr. M. Habibullah Khan	Director/Chairman	-
Mr. Manzoor Ahmed	Director	-
Mr. Shafiuddin Ghani Khan	Director	-
Mr. Saad Iqbal	Director	-
Ms. Aleeya Khan	Director	-
Mr. Aly Khan	Director	-
Ms. Samina Mumtaz Zehri	Director	-
Mr. Syed Bakhtiyar Kazmi	Director	-
The Hub Power Company Limited - Employees' Provident Fund	Retirement benefit fund	-
The Hub Power Company Limited - Staff Gratuity Fund	Retirement benefit fund	-
Hub Power Services Limited - Provident Fund	Retirement benefit fund	-
Hub Power Services Limited - Gratuity Fund	Retirement benefit fund	-
Hub Power Services Limited - Pension Fund	Retirement benefit fund	-
Laraib Energy Limited - Employees' Provident Fund	Retirement benefit fund	-
Laraib Energy Limited - Gratuity Fund	Retirement benefit fund	-
Thar Energy Limited - Employees' Provident Fund	Retirement benefit fund	-

32. PROVIDENT FUND TRUST

Contribution to defined contribution plan was transferred to Meezan Tahaffuz Pension Fund (MTPF), the voluntary pension system (VPS) with the consent of all members of provident fund with effect from July 2015 as allowed under clause (aa) of sub-rule (1) of Rule 103 of the Income Tax Rules, 2002.

33. PLANT CAPACITY AND PRODUCTION

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
HUB PLANT			
Theoretical Maximum Output		2,650 GWh	10,540 GWh
Total Output		15 GWh	0 GWh
Load Factor		0.57%	0.00%

Practical maximum output for the power plant taking into account all the scheduled outages was 2,478 GWh (2024: 9,757 GWh). Output produced by the plant was dependent on the load demanded by CPPA(G) and the plant availability. PPA of Hub plant was terminated with effect from October 1, 2024. Therefore, theoretical maximum output was taken till September 30, 2024.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
34. WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Stores, spares and consumables		(27,275)	(18,078)
Stock-in-trade		1,962,459	(10,083)
Trade debts		62,917,423	(7,833,648)
Loans, advances, prepayments and other receivables		(64,037)	982,326
		<u>64,788,570</u>	<u>(6,879,483)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(30,642,798)	1,771,867
		<u>34,145,772</u>	<u>(5,107,616)</u>

35. CASH AND CASH EQUIVALENTS

Cash and bank balances	22	876,269	2,355,983
Short term borrowings		(2,503,969)	(20,568,108)
		<u>(1,627,700)</u>	<u>(18,212,125)</u>

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
36. BASIC AND DILUTED EARNINGS PER SHARE			
36.1 Basic			
Profit for the year (Rupees in thousands)		19,079,478	33,879,176
Weighted average number of ordinary shares outstanding during the year		1,297,154,387	1,297,154,387
Basic earnings per share (Rupees)		14.71	26.12

Basic earnings per share is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

36.2 There is no dilutive effect on the earnings per share of the Company.

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a 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. The overall risk management of the Company is carried out under policies approved by the Board of Directors. Such policies entail identifying, evaluating and addressing financial risks of the Company.

The Company's overall risk management procedures to minimize the potential adverse effects of these risks on the Company's performance are as follows:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holdings of financial instruments. The Company is not exposed to equity price risk. The exposure to other two risks and their management is explained below:

(i) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company currently does not have any financial asset or liabilities in foreign currencies which are subject to currency risk exposure.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow and fair value interest rate risks

The Company's exposure to the risk of changes in interest rates relates primarily to the following:

Note	2025 (Rs. '000s)	2024 (Rs. '000s)
<u>Fixed rate instruments at carrying amount:</u>		
Financial assets		
Bank balances	<u>875,744</u>	<u>2,355,958</u>
Financial liabilities		
Long term lease liabilities	<u>153,775</u>	<u>174,979</u>
<u>Variable rate instruments at carrying amount:</u>		
Financial assets		
Long term loan to subsidiary	3,266,568	-
Trade debts	-	34,675,030
Total	<u>3,266,568</u>	<u>34,675,030</u>
Financial liabilities		
Long term loans	-	14,789,167
Trade and other payables	-	14,834,264
Short term borrowings	4,050,790	26,568,108
Total	<u>4,050,790</u>	<u>56,191,539</u>

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest / mark-up would not affect profit or loss.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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The Company manages the finance cost of short term borrowings and loan given to subsidiary from its own sources which exposes the Company to the risk of change in KIBOR. As at June 30, 2025, if interest rate on the Company's borrowings were 1% higher / lower with all other variables held constant, the profit for the year would have been lower / higher by 7 million (2024: Rs. 148 million).

Since the impact of interest rate exposure is not significant to the Company, the management believes that consideration of alternative arrangement to hedge interest rate exposure is not cost effective.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is not significant for reasons provided below.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Long term loan to subsidiary	3,266,568	-
Deposits	7,695	14,314
Trade debts	-	62,917,423
Loans and other receivables	8,552,843	11,389,191
Cash and Bank balances	875,744	2,355,958
Total	12,702,850	76,676,886

Credit risk on bank balances is limited as they are maintained with foreign and local banks having good credit ratings assigned by local and international credit rating agencies.

Banks / Financial Institutions	Rating Agency	Ratings	
		Short term	Long term
Conventional			
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank of Punjab	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
Habib Bank Limited	JCR-VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Pak Brunei Investment Company Limited	JCR-VIS	A-1+	AA+
Samba Bank Limited	PACRA	A-1	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Pakistan Kuwait Investment Company (Pvt.) Limited	PACRA	A1+	AAA
Saudi Pak Industrial And Agricultural Investment Company Limited	JCR-VIS	A-1+	AAA
Industrial Commercial Bank of China	Fitch	F1+	A
Shariah Compliant			
Meezan Bank Limited	JCR-VIS	A-1+	AAA
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A1	AA-
Faysal Bank Limited	PACRA	A1+	AA+
MCB Islamic Bank Limited	PACRA	A1	A+

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient funds to meet its liabilities when due without incurring unacceptable losses.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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The Company maintains running finance facilities (refer note 27) to meet the short term funding requirements.

The Company manages liquidity risk from its own sources and other alternative means.

Following are the contractual maturities of financial liabilities, including estimated interest payments, if any:

	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years	Total
----- (Rs. '000s) -----				
2024-25				
Long term lease liabilities	21,710	21,710	156,917	200,337
Trade and other payables	1,774,695	-	-	1,774,695
Unclaimed dividend	303,805	-	-	303,805
Unpaid dividend	175,019	-	-	175,019
Short term borrowings	4,065,454	-	-	4,065,454
Total	<u>6,340,683</u>	<u>21,710</u>	<u>156,917</u>	<u>6,519,310</u>

	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years	Total
----- (Rs. '000s) -----				
2023-24				
Long term loans	4,083,716	3,869,196	11,987,114	19,940,026
Long term lease liabilities	20,676	20,676	200,336	241,688
Trade and other payables	29,775,821	-	-	29,775,821
Unclaimed dividend	231,202	-	-	231,202
Unpaid dividend	216,501	-	-	216,501
Short term borrowings	27,320,356	-	-	27,320,356
Total	<u>61,648,272</u>	<u>3,889,872</u>	<u>12,187,450</u>	<u>77,725,594</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying amounts of all the financial instruments reflected in these unconsolidated financial statements approximate their fair value.

Fair value of financial instruments

The fair value of the financial assets and liabilities is the amount at which the assets could be sold or the liability transferred in a current transaction between market participants at the reporting date, other than in a forced or liquidation sale. Investment in subsidiary companies, associates and joint venture are carried at cost.

The fair value of investment in SECMC (unquoted shares) have been estimated using a discounted cashflows valuation model. The valuation requires management to make certain assumptions about the model inputs, including forecasted cashflows, the discount rate and market risk. The probabilities of the various estimates within the range are assessed and are used in management's estimate in order to determine the fair value of investment in SECMC. The fair value as at June 30, 2025 has been determined at Rs. 5,241 million (2024: Rs. 4,428 million) resulting in unrealised gain of Rs. 813 million (2024: unrealised gain of Rs. 1,169 million). The discount rate, recovery rate and currency devaluation used in valuation model are 19.09%, 90% and 5% respectively. As at June 30, 2025, if discount rate, recovery rate and currency devaluation had weakened / strengthen by 1% with all other variable held constant, other comprehensive income would have been lower / higher by Rs. 404 million, Rs. 236 million and Rs. 313 million respectively.

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	Level 4
	----- (Rs. '000s) -----			
June 2025				
Assets				
Investment in SECMC				
- At fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>5,240,837</u>	<u>5,240,837</u>
June 2024				
Assets				
Investment in SECMC				
- At fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>4,427,817</u>	<u>4,427,817</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, as required under various project agreements, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Financial assets - at FVOCI		
Investment in SECMC	<u>5,240,837</u>	<u>4,427,817</u>
Financial assets - at amortised cost		
Long term loan to subsidiary	3,266,568	-
Deposits	7,695	14,314
Trade debts	-	62,917,423
Loans and other receivables	8,552,843	11,305,512
Cash and bank balances	876,269	2,355,983
Total	<u>12,703,375</u>	<u>76,593,232</u>
Financial Liabilities - at amortised cost		
Long term loans	-	14,789,167
Long term lease liabilities	153,775	174,979
Trade and other payables	1,774,695	29,775,821
Unclaimed dividend	303,805	231,202
Unpaid dividend	175,019	216,501
Short term borrowings	4,065,454	27,320,356
Total	<u>6,472,748</u>	<u>72,508,026</u>

39. INITIAL APPLICATION / WAIVER FROM APPLICATION OF STANDARDS AND INTERPRETATIONS

39.1. Amendments to existing accounting and reporting standards that became effective during the year

There are certain amendments to accounting and reporting standards that are applicable for current year but do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

39.2 Standards, amendments and interpretations to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 1, 2024. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements, except for;

IFRS 18 - Presentation and Disclosure in Financial Statements (Effective 1 January 2027):

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. However, this standard is yet to be adopted by the SECP. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Amendment to IFRS 9 and IFRS 7 - 'Classification and Measurement of Financial Instruments' (Effective 1 January 2027):

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the Solely Payments of Principal and Interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would need to be reconsidered.

Standards, interpretations and amendments to published approved accounting and reporting standards which became effective during the year:

There were certain amendments to accounting and reporting standards which became effective on the Company for the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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40. SHARIAH COMPLIANCE DISCLOSURE

	2025			2024		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
	(Rs. '000s)			(Rs. '000s)		
Revenue from contract with customer - net						
Revenue	4,121,776	9,087,737	13,209,513	9,638,250	31,896,154	41,534,404
Other income						
Interest income	372,417	24,054	396,471	246,003	42,463	288,466
Gain on disposal of asset	-	139,529	139,529	-	2,667	2,667
Dividend income	-	14,913,572	14,913,572	-	16,327,453	16,327,453
Finance cost						
Long term loans	583,195	278,298	861,493	3,081,082	1,175,858	4,256,940
Long term lease liabilities	20,664	-	20,664	26,163	-	26,163
Short term borrowings	877,368	1,039,780	1,917,148	3,606,838	2,364,551	5,971,389
Other finance costs	417,005	26,526	443,531	411,587	25,246	436,833
Assets						
Long term investment	-	64,806,359	64,806,359	-	63,993,339	63,993,339
Bank balances	-	875,744	875,744	-	2,355,958	2,355,958
Long term loan to subsidiary	3,266,568	-	3,266,568	-	-	-
Liabilities						
Long term loans	-	-	-	11,667,971	3,121,196	14,789,167
Accrued mark-up	-	14,664	14,664	333,079	419,169	752,248
Short term borrowings	2,503,969	1,546,821	4,050,790	16,164,829	10,403,279	26,568,108

40.1 The Company has maintained deposits with shariah compliant banks and has made investments in shariah compliant mutual funds as mentioned in note 37.

41. NUMBER OF EMPLOYEES

Total number of employees as at year end were 113 (2024: 255) and the average number of employees during the year were 164 (2024: 250). These include permanent and seconded employees.

42. REPRESENTATION / RECLASSIFICATION

Certain prior year figures have been represented / re-classified to reflect a more appropriate presentation of transactions based on events during the year for the purpose of consistency. The material reclassification made during the year is as follows:

Description	Reclassified		(Rs.'000s)
	From	To	
Dividend Income	Other Income	Dividend Income	16,094,659

43. SUBSEQUENT EVENT

The Board of Directors of the Company proposed a final dividend for the year ended June 30, 2025 of Rs. 10 per share, amounting to Rs. 12,971.544 million, at their meeting held on September 03, 2025 for approval of the members at the Annual General Meeting to be held on October 15, 2025. These unconsolidated financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

44. DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on September 03, 2025 in accordance with the resolution of the Board of Directors.

45. GENERAL

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



M. HABIBULLAH KHAN
Chairman



KAMRAN KAMAL
Chief Executive



MUHAMMAD SAQIB
Chief Financial Officer

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CONSOLIDATED FINANCIAL STATEMENTS





Independent Auditor's Report

To the members of The Hub Power Company Limited

Opinion

We have audited the annexed consolidated financial statements of The Hub Power Company Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Contingent Liabilities	
	[Refer notes 3.10, 32.3, 32.5 to 32.7, 32.9.2, 32.9.4 to 32.9.12, 32.10 (vii) and 32.12 to the consolidated financial statements] The Group has contingent liabilities in respect of Income Tax, Sales Tax, Federal Excise Duty (FED) and Workers' Profits Participation Fund (WPPF) which are pending adjudication at various legal forums. These are based on a range of issues such as disallowance of certain expenses for income tax purposes, apportionment of input sales tax claims, applicability of FED on services and WPPF on the operations of the Holding Company. The related matters require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group for disclosure or recognition of any provision that may be required thereagainst. Due to the significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgment and estimates to assess the same including related financial impacts, we have considered related contingent liabilities an area of higher assessed risk and a key audit matter.	Our audit procedures, amongst others, included the following: i) obtained understanding of the Group's process and controls over litigations through meetings with management and reviewed the minutes of the meetings of Board of Directors and the Board Audit and Risk Committee; ii) obtained and assessed details of pending and threatened litigation and discussed the same with the Group's management; iii) circularised confirmations to the Group's external legal and tax advisors for their views on matters being handled by them; iv) involved internal tax professionals to assess management's conclusion on contingent tax matters and evaluated consistency of such conclusions with the views of management and external tax advisors engaged by the Group; v) checked correspondence of the Group with the relevant authorities including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; and vi) assessed the adequacy of related disclosures in the consolidated financial statements with regard to the applicable accounting and reporting standards.
(ii)	Execution of Negotiated Settlement Agreement	
	[Refer note 1.1 to the consolidated financial statements] On October 17, 2024, Negotiated Settlement Agreement (NSA) was entered into by the Holding Company and the Government of Pakistan (GoP), resulting in early termination of all agreements concerning the Hub Plant with effect from October 1, 2024, which include the Implementation Agreement (IA), Power Purchase Agreement (PPA), GoP Guarantee, and Fuel Supply Agreement (FSA) with Pakistan State Oil Company Limited. The execution of NSA was a significant event during the year, requiring audit procedures to understand the terms of NSA and consequential impacts on the Group. Accordingly, we considered this a key audit matter.	Our audit procedures, amongst others, included the following: i) obtained and reviewed the NSA, to understand the terms and conditions including effective date, financial settlements, and any continuing rights and obligations; ii) checked compliance with the requirements of NSA including amounts received and settled by the Group; iii) evaluated impacts of NSA on the Group including impairment assessment carried out by management on early termination of PPA; and iv) assessed the adequacy of related disclosures in the consolidated financial statements with regard to the applicable accounting and reporting standards.

S. No.	Key audit matter	How the matter was addressed in our audit
(iii)	Receivable from Central Power Purchasing Agency Guarantee Limited (CPPA-G) and National Transmission and Despatch Company Limited (NTDC)	
	[Refer notes 1, 3.6, 3.12.1, 3.18 (a) and 20 to the consolidated financial statements] The Group under the Power Purchase Agreements (PPAs) supplies electricity to its customers i.e., CPPA-G and NTDC, and recognises revenue based on output delivered and capacity made available. Continuous delays by CPPA-G in settlement of invoices raised by the Group companies under the PPAs have resulted in accumulation of trade debts aggregating to Rs. 28,966 million as at June 30, 2025 including overdue trade debts of Rs. 15,964 million. Due to delays in recovery, the Group has financed its operations through short and long term financing arrangements. Further, on February 14, 2025, Narowal Energy Limited (NEL), a wholly-owned subsidiary of the Holding Company, entered into an Amendment Agreement with the GoP and the CPPA-G effective from November 1, 2024. As part of the Amendment Agreement, CPPA-G agreed to pay Rs. 9,680 million pertaining to invoices raised upto the month of October 2024 as full and final settlement of the past receivable and claims, which has been received by the Group. Additionally, NEL waived Late Payment Interest (LPI) for payment against invoices upto October 31, 2024 amounting to Rs. 1,908 million. In view of the above developments, significant delays in settlement of receivables, materiality of the amount involved and the consequential impact of the delays on liquidity of the Group, we have considered this to be an area of higher assessed risk and a key audit matter.	Our audit procedures, amongst others, included the following: i) assessed whether the revenue and related trade debts / receivables have been recognised in accordance with the accounting framework applicable on the Group; ii) checked that the invoices raised by the Group during the year were in accordance with the PPAs; iii) circularised confirmation of trade debts / receivables to CPPA-G; iv) checked receipts from CPPA-G from bank statements; v) made inquiries from the management of the Group and reviewed the minutes of the meetings of the Board of Directors and the Board Audit and Risk Committee to ascertain actions taken by them for recoverability of outstanding amount; vi) checked Implementation Agreements and assessed whether trade debts are secured against guarantees from the GoP and whether any impairment is required to be recognised there against as per the applicable accounting framework; vii) obtained and assessed the details of Amendment Agreement of NEL and checked compliance including amounts received and settled; viii) assessed the availability of finance with the Group to fund its business operations through committed credit lines obtained from various financial institutions; and ix) assessed the adequacy of the related disclosures in the consolidated financial statements, with regard to applicable accounting and reporting standards.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 19, 2025

UDIN: AR202510080YDpKt4fxo

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
CONTINUING OPERATIONS			
Revenue from contracts with customers - net	5	83,351,492	130,525,533
Cost of revenue	6	(43,527,604)	(62,179,577)
GROSS PROFIT		39,823,888	68,345,956
General and administration expenses	7	(1,960,726)	(2,161,796)
Other income	8	4,021,179	3,304,801
Insurance claim against alternator damage and consequent loss of revenue	9	-	320,319
Other operating expenses	10	(3,848,630)	(2,452,182)
PROFIT FROM OPERATIONS		38,035,711	67,357,098
Finance costs	11	(15,230,753)	(26,743,574)
Share of profit from associates and joint ventures - net	12	41,310,192	49,360,882
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		64,115,150	89,974,406
Taxation	13	(12,502,566)	(14,656,150)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		51,612,584	75,318,256
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations	41	161,977	(20,874)
NET PROFIT FOR THE YEAR		51,774,561	75,297,382
Attributable to:			
- Owners of the holding company		46,131,156	70,018,253
- Non-controlling interests		5,643,405	5,279,129
		51,774,561	75,297,382
EARNINGS PER SHARE (BASIC AND DILUTED) - RUPEES			
- Continuing operations		35.44	53.98
- Discontinued operations		0.12	(0.00)
Basic and diluted earnings per share attributable to owners of the holding company (Rupees)	42	35.56	53.98

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



M. HABIBULLAH KHAN

Chairman



KAMRAN KAMAL

Chief Executive



MUHAMMAD SAQIB

Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Profit for the year		51,774,561	75,297,382
Other comprehensive income / (loss) for the year:			
Items that will not be reclassified to profit or loss in subsequent periods			
- Gain on remeasurement of post employment benefit obligation - net of tax		100,696	39,109
- Gain on revaluation of equity investment at fair value through other comprehensive income	43	813,020	1,168,702
		913,716	1,207,811
Items that will be reclassified to profit or loss in subsequent periods			
- Share of foreign currency translation reserve of joint venture - net of tax		180,096	(219,985)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		52,868,373	76,285,208
Total comprehensive income attributable to equity shareholders from:			
- Continuing operations		52,706,396	76,306,082
- Discontinued operations		161,977	(20,874)
		52,868,373	76,285,208
Total comprehensive income attributable to:			
- Owners of the holding company		47,226,140	71,011,737
- Non-controlling interests		5,642,233	5,273,471
		52,868,373	76,285,208

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



M. HABIBULLAH KHAN
Chairman



KAMRAN KAMAL
Chief Executive



MUHAMMAD SAQIB
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

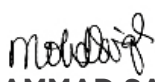
AS AT JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	14	124,751,778	128,939,945
Intangibles	15	1,519,444	1,464,036
Long term investments	16	196,124,862	151,057,613
Long term deposits and others	17	15,713	23,444
		322,411,797	281,485,038
CURRENT ASSETS			
Stores, spares and consumables	18	4,573,028	4,705,612
Stock-in-trade	19	1,609,093	4,214,351
Trade debts	20	28,966,134	99,740,148
Contract asset	21	-	8,505,150
Loans and advances	22	1,603,767	301,469
Deposits, prepayments and other receivables	23	24,310,692	24,747,491
Cash and bank balances	24	31,247,676	29,105,160
		92,310,390	171,319,381
		414,722,187	452,804,419
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised	25	17,000,000	17,000,000
Issued, subscribed and paid-up	25	12,971,544	12,971,544
Capital Reserve			
Share premium		5,600,000	5,600,000
Revenue Reserve			
Operation & maintenance reserve	25.3	3,129,120	-
Unappropriated profit		198,007,417	171,797,319
		219,708,081	190,368,863
ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY			
NON-CONTROLLING INTERESTS			
		24,213,824	19,603,615
		243,921,905	209,972,478
NON-CURRENT LIABILITIES			
Long term loans	26	71,824,944	88,940,900
Long term lease liabilities	27	134,136	154,292
Deferred taxation	28	35,730,838	25,468,708
		107,689,918	114,563,900
CURRENT LIABILITIES			
Trade and other payables	29	34,677,770	67,434,192
Provision for taxation		7,051,952	6,561,676
Unclaimed dividend		303,805	231,202
Unpaid dividend		186,218	1,218,757
Interest / mark-up accrued	30	3,764,321	6,374,703
Refund liability	21	4,786,690	-
Short term borrowings	31	5,686,292	29,365,984
Current maturity of long term loans	26	6,597,412	16,167,972
Current maturity of long term lease liabilities	27	55,904	913,555
		63,110,364	128,268,041
		414,722,187	452,804,419
TOTAL EQUITY AND LIABILITIES			
COMMITMENTS AND CONTINGENCIES			
	32		

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.


M. HABIBULLAH KHAN
Chairman


KAMRAN KAMAL
Chief Executive


MUHAMMAD SAQIB
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		64,115,150	89,974,406
Profit / (loss) from discontinued operations		170,374	(20,874)
		64,285,524	89,953,532
Adjustments for:			
Depreciation	14.3	5,471,198	6,760,071
Amortisation		39,253	68,231
Provision against slow moving stores, spares and consumables	18.1	124,592	263,412
Provision for Workers' Profits Participation Fund	10	239,952	-
Trade debts written off	10	2,555,472	-
Provision for Net Realizable Value - Stores and spares	10	174,986	-
Staff gratuity		109,322	125,770
Gain on investment - Mutual Fund	8	(683,307)	-
Interest income	8	(2,360,666)	(1,407,887)
Gain on disposal of fixed assets - net	8	(119,249)	(32,580)
Dividend income from equity investment		-	(232,794)
Loss on foreign currency balance		13,384	213,318
Interest / mark-up expense		13,761,747	25,262,467
Amortisation of transaction costs	11	610,271	609,133
Share of profit from associates and joint ventures - net		(41,261,324)	(49,312,014)
Gain on dilution of equity interests in subsidiary	41	(985,829)	-
Realised profit on management services to an associate		(48,868)	(48,868)
Operating profit before working capital changes		41,926,458	72,221,791
Working capital changes	39	52,789,996	(3,259,526)
Cash generated from operations		94,716,454	68,962,265
Interest income received		2,378,230	1,375,618
Interest / mark-up paid		(16,334,105)	(25,574,652)
Staff gratuity paid		(100,248)	(110,709)
Taxes paid		(1,899,498)	(2,489,800)
Net cash generated from operating activities		78,760,833	42,162,722
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,364,177)	(1,842,746)
Proceeds from disposal of fixed assets		132,004	34,151
Long term investments made		-	(87,780)
Dividend received from associate, joint venture and equity investment	16.5	216,000	20,114,603
Short term investment made		(71,058,789)	-
Short term investments redeemed		71,742,096	-
Loan to MMCPL - an associate company		(1,400,000)	-
Cash and cash equivalents acquired under business combination		105	-
Cash and cash equivalents transferred at dilution of equity interest in subsidiary		(1,078,058)	-
Long term deposits, prepayments and others		(35,091)	(386)
Net cash (used in) / generated from investing activities		(3,845,910)	18,217,842
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the holding company		(17,480,463)	(22,593,093)
Dividends paid to non-controlling interests		(2,175,868)	(1,111,414)
Repayment of long term loans	26	(28,478,084)	(20,287,046)
Proceeds from privately placed Sukuk		-	17,000,000
Repayment of privately placed Sukuk		(11,000,000)	(12,000,000)
Proceeds from short term borrowings - net		4,546,821	-
Repayment of long term lease liabilities	27	(910,390)	(903,610)
Share issuance cost		(34,526)	-
Net cash used in financing activities		(55,532,510)	(39,895,163)
Net increase in cash and cash equivalents		19,382,413	20,485,401
Cash and cash equivalents at the beginning of the year		10,739,176	(9,532,907)
Loss on foreign currency balance		(13,384)	(213,318)
Cash and cash equivalents at the end of the year	40	30,108,205	10,739,176

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



M. HABIBULLAH KHAN
Chairman



KAMRAN KAMAL
Chief Executive



MUHAMMAD SAQIB
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
ISSUED CAPITAL			
Balance at the beginning and end of the year	25	<u>12,971,544</u>	<u>12,971,544</u>
SHARE PREMIUM			
Balance at the beginning and end of the year		<u>5,600,000</u>	<u>5,600,000</u>
REVENUE RESERVES			
OPERATION & MAINTENANCE RESERVE			
UNAPPROPRIATED PROFIT			
Balance at the beginning of the year		171,797,319	123,492,680
Profit for the year		46,131,156	70,018,253
Other comprehensive income for the year		1,094,984	993,484
Total comprehensive income for the year		47,226,140	71,011,737
Transfer to Operation & Maintenance reserve	25.3	(3,129,120)	-
Share issue cost from discontinued operations		(34,041)	-
Adjustment in respect of			
- change in net assets of associate - net of tax	16.1	(236,653)	-
- allocation of net assets from owners to NCI due to right issue		(101,208)	-
Transactions with owners in their capacity as owners			
Final dividend for the fiscal year 2023-24 @ Rs. 8.50 (2022-23 @ Rs. 6.00) per share		(11,025,812)	(7,782,926)
First interim dividend for the fiscal year 2024-25 @ Rs. 5.00 (2023-24 @ Rs. 5) per share		(6,485,772)	(6,485,772)
Second interim dividend for the fiscal year 2024-25 @ Rs. Nil (2023-24 @ Rs. 4.00) per share		-	(5,188,618)
Third interim dividend for the fiscal year 2024-25 @ Rs. Nil (2023-24 @ Rs. 2.50) per share		-	(3,242,886)
		(17,511,584)	(22,700,202)
Share issuance cost		(3,436)	(6,896)
Balance at the end of the year		<u>198,007,417</u>	<u>171,797,319</u>
ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY			
NON-CONTROLLING INTERESTS (NCI)			
Balance at the beginning of the year		19,603,615	15,971,894
Arising on acquisition of subsidiary during the year		51,579	-
Profit for the year		5,643,405	5,279,129
Other comprehensive loss for the year		(1,172)	(5,658)
Total comprehensive income for the year		5,642,233	5,273,471
Adjustment in respect of allocation of net assets from owners to NCI due to right issue		101,208	-
Dividends to NCI		(1,184,811)	(1,640,848)
Share issuance cost		-	(902)
Balance at the end of the year		<u>24,213,824</u>	<u>19,603,615</u>
TOTAL EQUITY			
		<u>243,921,905</u>	<u>209,972,478</u>

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

M. HABIBULLAH KHAN

Chairman

KAMRAN KAMAL

Chief Executive

MUHAMMAD SAQIB

Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. STATUS AND NATURE OF BUSINESS

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

The Group consists of The Hub Power Company Limited (the holding company) and following subsidiaries, associates and joint ventures:

Subsidiaries:

- 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%;
- Thar Energy Limited (TEL) - Holding of 60%;
- Ark Metals (Private) Limited (AMPL) - Holding of 51.45% via HPHL; and
- Hubco Green (Private) Limited (HGPL) - Holding of 100% via HPHL.

Associates:

- China Power Hub Generation Company (Private) Limited (CPHGC) - legal ownership interest of 47.5% via HPHL; and
- Mega Motor Company (Private) Limited - Holding of 50% via HPHL.

Joint Ventures:

- ThalNova Power Thar (Private) Limited (TNPTL) - Holding of 38.3% via HPHL.
- Prime International Oil & Gas Company Limited (Prime) - Holding of 50% via HPHL; and
- China Power Hub Operating Company (Private) Limited (CPHO) - Holding of 49% via HPHL.

Head Offices:

- The registered offices of the holding company, HPSL, HPHL, HGPL, NEL and TEL are situated at 9th Floor, Ocean Tower, G-3, Block-9, Main Clifton Road, Karachi;
- The registered office of LEL is situated at Office No. 12, 2nd Floor, Executive Complex, G-8 Markaz, Islamabad; and
- The registered office of AMPL is situated at F-402, Daudabad, Sasoli Street, Opposite Deputy Commissioner Office, Dalbandin, Balochistan.

Plants:

- Hub Plant is situated at Mouza Kund, Post Office Gaddani, District Lasbela, Balochistan;
- Narowal Plant is situated at Mouza Aroud Afghana, Muridkey Narowal Road, Narowal;
- Laraib Plant is situated at New Bong Escape Hydro-Electric Power Complex, Village Lehri, District Mirpur, Azad Jammu & Kashmir; and
- TEL Plant is situated at Block II, Thar Coal mine, District Tharparkar, Sindh.

Laraib Energy Limited (LEL)

LEL was incorporated in Pakistan on August 9, 1995 as a public limited company which owns a 84 MW hydropower generating complex near the New Bong Escape, which is 8 km downstream of the Mangla Dam in Azad Jammu & Kashmir (AJK). The plant commenced operations on March 23, 2013.

In connection with investment in the LEL, the holding company entered into a Sponsor Support Agreement (SSA). In accordance with the terms of the SSA, the holding company entered into a Sponsor Charge and Assignment Deed with LEL's lenders pursuant to which the holding company has:

- (i) charged, by way of first fixed charge:
 - (a) all its right, title and interest from time to time in and to the Shares and Related Rights of LEL; and
 - (b) all its rights, title and interest from time to time (whether present or future) in the Assigned Subordinated Loans and all claims in relation thereto.
- (ii) assigned and has agreed to assign absolutely all rights, title and interest present or future of the holding company in respect of the Assigned Subordinated Loans.

Accordingly, all the present and future shares which the holding company holds or owns in LEL and the loans, if any, to be provided to LEL are subject to Security Interest created by Sponsor Charge and Assignment Deed above.

Pursuant to the SSA in connection with the investment in LEL, the Company entered into a facility agreement with a bank and provided a Stand By Letter of Credit (SBLC) of USD 23 million to LEL's lenders for cost overruns and debt repayment. In 2024, the SBLC amount reduced to USD 7.098 million. The SBLC was required to be maintained till the last repayment of debt (i.e. November 2024). Any default in payment by the Company is subject to a mark-up of six month KIBOR plus a margin of 4%. This SBLC was secured by way of second ranking / subordinated charge over all present and future undertaking and assets of the Company other than: (i) assets relating to the Narowal plant; (ii) Commercial Facility Disbursement Account; (iii) any shares of NEL; and (iv) present and future shares acquired in LEL including bonus shares and right shares. The SBLC has been released during the year.

Hub Power Services Limited (HPSL)

HPSL was incorporated in Pakistan on March 26, 2015 as a public limited company. The principal activity of the subsidiary is to manage operations & maintenance of power plants.

Hub Power Holdings Limited (HPHL)

HPHL was incorporated in Pakistan on March 10, 2015 as a public limited company. The principal activities of the subsidiary are to invest in new business opportunities.

Narowal Energy Limited (NEL)

NEL was incorporated in Pakistan on November 03, 2015 as a public limited company. The principal activities of the subsidiary are to own, operate and maintain a 214 MW (net) oil-fired power station in Punjab (Narowal plant).

During the year, NEL engaged in negotiations with the Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] regarding amendments to the Power Purchase Agreement (PPA). As a result of negotiations, on February 14, 2025, NEL executed an Amendment Agreement with the GOP and CPPA(G) to implement the following key amendments:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- The Amendment Agreement shall be effective from November 01, 2024;
- Indexation mechanism of Operation and maintenance (O&M) has been changed;
- Tariff of cost of working capital and O&M has been revised;
- Return on equity tariff component will be paid in a hybrid take and pay model;
- Insurance premium tariff capped at 0.9% of the Project Cost;
- GOP will unconditionally withdraw Arbitration under Arbitration Submission Agreements;
- CPPA(G) will make the payment of outstanding receivables relating to invoices upto the month of October 2024 amounting to Rs. 9,680 million as full and final settlement of past receivable and claims (which was received by NEL during the year);
- Waiver of outstanding Late Payment Interest (LPI) for payment against invoices upto October 31, 2024 amounting to Rs. 1,908 million; and
- London Court of International Arbitration (LCIA) Arbitration clause in PPA will be substituted with Islamabad seated Arbitration under the local laws.

Thar Energy Limited (TEL)

TEL was incorporated in Pakistan on May 17, 2016 as a public limited company. The principal activities of the subsidiary are to develop, own, operate and maintain a 1 x 330 MW mine-mouth coal fired power plant at Thar Block II, Thar Coal Mine, Sindh. The holding company has 60% controlling interest in TEL, Fauji Fertilizer Company Limited (FFCL) has 30% interest and CMEC TEL Power Investments Limited has 10% interest.

Project status

On January 30, 2020, Private Power and Infrastructure Board (PPIB) on behalf of the Government of Pakistan notified the achievement of Financial Close (FC) of TEL. TEL achieved Commercial Operations Date (COD) on October 01, 2022.

The Holding company's commitments for TEL - Sponsors' support

For the development of TEL's project and pursuant to Share Holder's Agreement dated March 15, 2018, the holding company has obtained following approvals from shareholders in general meeting and is committed to:

- undertake to the Lenders of TEL and to arrange and / or provide working capital financing to TEL equivalent to an aggregate amount of USD 36 million. Such investment shall be for a period up till December 2032;
- assign its rights in respect of any investment made in TEL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TEL), in favour of the Lenders of TEL. Such investment shall be for a period up till December 2032. In order to fulfil this condition, the holding company has signed subordination agreement on December 20, 2018;
- execute the Share Pledge Agreement with lenders of TEL, whenever such shares are acquired directly by way of subscription or otherwise such investment shall be made for a period up till December 2033. The holding company has executed the Share Pledge Agreement on July 08, 2019 including all necessary documentation related thereto and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith, as may be deemed appropriate and as mutually agreed with the Lenders of TEL including any amendments thereto, or as required by law;

- iv. provide 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 PCD, and (c) COD undertakings. Such investment shall be for a period up till the earlier of PCD or December 2025. On November 15, 2019, the holding company issued Cost Overrun SBLC amounting of USD 30.420 million to the lenders of TEL. The facility is secured by way of pari passu charge over all present and future assets of the holding company, other than current assets and other securities;
- v. issued a sponsor SBLC to cover for the Initial Debt Service Reserve Account shortfall of an amount estimated not to exceed USD 20 million (or PKR equivalent) but which may be higher. Such obligation shall be valid for a period till the first payment of the installment of the loan or such other date that may be prescribed under the Sponsor Support Agreement. SBLC for USD 12.482 Million for Foreign lenders and SBLC for PKR 1,780 Million for Local Lender. These facilities are secured against a ranking charge on fixed asset excluding land and building and other securities;
- vi. provide contractual commitments up to USD 22 million (or PKR equivalent) to Lenders for the purpose of TEL taking excess debt, which is over and above the cost approved by NEPRA. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032;
- vii. participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions ("Put Option / CRG Financiers") to the foreign lenders and contributing payment of a sum not exceeding USD 15 million, ("Put Option / CG Contribution Amount") under the same as primary obligor and USD 10 Million as mark-up on the forced loan not settled by project company (if any) and any excess exposure on account of USD / PKR devaluation in accordance with the terms of the Put Option / CRG Agreement. Such sponsor obligation shall be valid till December 2032. Accordingly, the holding company has entered into a Put Option Sponsor Support Agreement dated December 20, 2018 and fulfilled this condition by providing pari passu charge on the holding company's assets, other than current assets;
- viii. provide a contractual commitment and a parent company guarantee to TEL guaranteeing the due and punctual performance obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or December 2032. The holding company has provided Parent Company Guarantee to TEL in the form of a corporate guarantee as per the terms of the O&M agreement; and
- ix. Under the terms of the Power Purchase Agreement dated July 21, 2017, between TEL and the CPPA(G), as amended from time to time, TEL is required to provide a letter of credit in favor of CPPA(G) to secure certain obligations under the PPA ("PPA SBLC"). Since TEL does not have adequate security to fully secure its obligations under such a letter of credit, TEL has requested its Sponsors to provide replacement security. This security is provided by way of a ranking charge, to be upgraded to a first pari passu charge, on the holding company's current and future fixed assets excluding land and buildings, amounting to Rs. 1,734 million.

Ark Metals (Private) Limited (AMPL)

AMPL was incorporated as a private limited company in Pakistan on October 10, 2023, under the Companies Act, 2017. During the year, the HPHL initially acquired 50.1% holding in AMPL which further increased to 51.45% as at the year end. The principal activity of the company is to carry on the business of exploring, operating and working on mines, quarries and other related activities. AMPL is in development phase undertaking exploration studies.

The acquisition of the AMPL, has been accounted for under the acquisition method under IFRS-3. Accordingly, these consolidated financial statements reflect the assets acquired and liabilities assumed including contingent liabilities of the subsidiary on the effective date of business combination i.e. November 21, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The carrying amounts which do not differ from the fair values of the identifiable assets and liabilities of the subsidiary as at the date of acquisition immediately before the acquisition were:

	(Rs. '000s)
Cash and bank balance	105
Cash injected in the subsidiary by holding company on right issue	144,746
	144,851
Trade and other payables	41,487
Net assets	103,364
Non-controlling interests (NCI)	51,579
Total net assets acquired	51,785
Goodwill arising on acquisition	92,961
Total consideration	144,746

Hubco Green (Private) Limited (HGPL)

During the year, HPHL incorporated a wholly owned subsidiary, HUBCO Green (Private) Limited (HGPL), on November 01, 2024. The principal activity of the HGPL is to own, operate and maintain EV chargers for electric vehicles across Pakistan.

Mega Motor Company (Private) Limited (MMCPL)

MMCPL, initially a wholly owned subsidiary, was incorporated in Pakistan on May 06, 2024 as a private limited company. The principal activity of MMCPL is to assemble, progressively manufacture and market BYD vehicles in Pakistan.

During the year, on December 03, 2024, the HPHL entered into a shareholders agreement with Mega Conglomerate (Private) Limited (MCPL) and Mega Motor Company (Private) Limited (MMCPL) whereby HPHL offered 50% equity interest in MMCPL to MCPL. On February 28, 2025 HPHL diluted its equity interest by 50% in MMCPL. Accordingly, MMCPL has now been accounted for as an associate at the reporting date.

Discontinued operations on the consolidated statement of profit or loss represents profit and loss pertaining to MMCPL for the period from July 1, 2024 to February 28, 2025, and gain due to retained interest in MMCPL, as an associate.

- 1.1 On October 17, 2024, the holding company, entered into a Negotiated Settlement Agreement (NSA) for the early termination of all agreements related to the Hub Plant. These agreements include the Implementation Agreement (IA), Power Purchase Agreement (PPA), Government of Pakistan (GOP) Guarantee and Fuel Supply Agreement (FSA) with Pakistan State Oil Limited with effect from October 1, 2024.

Pursuant to the NSA, the holding company has received Rs. 36,499 million in settlement of all outstanding liabilities owed by the Power Purchaser. Additionally, the Power Purchaser has assumed all liabilities and obligations of the holding company under the FSA.

As per the NSA, in the event that the appeal regarding the apportionment of sales tax on the Capacity Purchase Price (CPP), pending before any competent authority, is fully and finally decided in favour of the Federal Board of Revenue (FBR), and the holding company is required to make any payment, the Power Purchaser shall reimburse the holding company within 30 days of the invoice for such payment.

Furthermore, the holding company shall invoice, and the Power Purchaser shall process and settle, Workers Welfare Fund (WWF) and Workers' Profit Participation Fund (WPPF) accrued up to June 30, 2024, as and when the matter is finally adjudicated by the apex courts.

The Hub Plant is currently shut down whereas the management is evaluating viable alternate business plans.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Changes in accounting standards and interpretations

Standards, interpretations and amendments to published approved accounting and reporting standards which became effective and not have been early adopted by the group during financial reporting during the year.

There were certain amendments to accounting and reporting standards which became effective on the Group for the current year. Further there is a standard and amendments that are not yet effective and have not been early adopted by the Group. These are disclosed in note 45. These, however, do not have a significant impact on the Group's financial reporting.

2.3 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the material accounting policy information (note 3).

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

All business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair values of the holding company's share of identifiable net assets acquired is recorded as goodwill.

The consolidated financial statements of the Group include the financial statements of the holding company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the holding company, using consistent accounting policies.

The assets and liabilities of the subsidiaries have been consolidated on a line-by-line basis and the carrying value of investment held by the holding company is eliminated against the subsidiaries' share capital and pre-acquisition reserves in the consolidated financial statements. Material intra-group balances and transactions are eliminated.

A change in the ownership interest of the subsidiaries, without a change of control, is accounted for as an equity transaction.

The subsidiary companies are consolidated from the date on which more than 50% voting rights are transferred to the holding company or power to govern the financial and operating policies of the subsidiaries are established and are excluded from consolidation from the date of disposal or cessation of control.

Upon loss of control or significant influence over the subsidiary, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the investment upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Non-controlling interest (NCI) is the equity in a subsidiary not attributable, directly or indirectly, to the holding company.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in the consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the profit or loss.

Associates and joint ventures

Associates and joint ventures are all entities over which the Group has significant influence but not control. Investment in associates and joint ventures are accounted for using equity method, whereby the investment is initially recorded at cost / fair value of net assets acquired and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associates and joint venture. The consolidated statement of profit or loss reflects the Group's share of the results of the operations of the associates and joint ventures. Any other change in net assets of the associates and joint ventures are directly recognised in the unappropriated profit.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where applicable. The gain / loss arising on dilution of interest in an equity accounted investee is recognised in the consolidated statement of profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognises the same in consolidated statement of profit or loss.

3.2 Property, plant and equipment

(a) Operating fixed assets and depreciation

Owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land which is stated at cost.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets at the rates disclosed in note 14.1 to the consolidated financial statements. Depreciation on additions is charged for the full month in which an asset is available for use and on disposals up to the month immediately preceding the disposals. Gains and losses on disposals are taken to the consolidated statement of profit or loss.

Maintenance and repairs are charged to the consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalised.

Spare parts and servicing equipment are classified as operating fixed assets under plant and machinery rather than stores, spares and loose tools when they meet the definition of property, plant and equipment. Available for use capital spares and servicing equipment are depreciated over their useful lives, or the remaining life of principal asset, whichever is lower.

The residual value, depreciation method and the useful lives of the significant items of property, plant and equipment are reviewed and adjusted if required, at each reporting date.

Right-of-use assets

Right-of-use assets are initially measured on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs, lease incentive and the discounted estimated asset retirement obligation. Subsequently, the right-of-use asset is measured at cost net of any accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the shorter of estimated useful lives of the right-of-use assets or the lease term.

(b) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. Items are transferred to operating fixed assets as and when they are available for use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.3 Intangible assets and amortisation

(a) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the holding company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and whenever there is an indication that the value may be impaired is carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed.

(b) Other intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is computed using the straight-line method over the estimated useful lives of the assets at the rate disclosed in note 15.1 to these consolidated financial statements.

3.4 Investments

On initial recognition, the Group designate investments in equity instruments as at Fair Value Through Other Comprehensive Income (FVTOCI) if the equity investment is not held for trading or if it is contingent consideration recognised in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in retained earnings.

3.5 Impairment of non-current assets

The carrying amounts of non-current assets except goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to assess whether asset's carrying value exceeds its recoverable amount. Where carrying value exceeds the estimated recoverable amount, asset is written down to its recoverable amount. Impairment losses are recognised as expense in the consolidated statement of profit or loss. An impairment loss on non-current assets except goodwill is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Impairment of financial assets

Trade debts are assessed at each reporting date to determine whether there is any objective evidence that these are impaired. These are considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For financial assets other than trade debts, lifetime Expected Credit Losses (ECL) method is used when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

3.7 Stores, spares and consumables

These are valued at the lower of moving average cost and net realisable value except for the items in transit which are stated at cost. Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date. Provision is made for slow moving and obsolete items, if any.

3.8 Stock-in-trade

Furnace oil

These are valued at the lower of cost determined on first-in-first-out basis and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date.

Coal / Limestone

These are valued at the lower of cost determined on a weighted average basis and net realisable value. The management assesses at each reporting date whether there is any impairment required to bring the value of inventories down to their net realisable value.

3.9 Share capital

Ordinary shares are classified as equity and recognised at their face value. Discount or premium on issuance of shares is separately reported in the consolidated statement of changes in equity. Transaction costs directly attributable to the issuance of shares are shown in equity as a deduction, net of tax.

3.10 Provisions and contingent liabilities

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses and are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies are disclosed when the Group has possible obligation that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

3.11 Staff retirement benefits

Defined benefit plans

The holding company, TEL and HPSTL operate funded defined benefit gratuity plans, covering eligible employees who have completed minimum service requirement with respective company. The liabilities relating to defined benefit plans are determined through actuarial valuation using the Projected Unit Credit Method. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these benefits, such estimates are subject to certain uncertainties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Defined contribution plans

LEL operates a funded defined contribution gratuity plan for the benefit of its employees. Monthly contributions are paid by LEL to the fund at the rate of 10% of basic salary.

The holding company, LEL, TEL and HPSTL operate recognised contributory provident funds covering all employees who are eligible for the plan. Equal monthly contributions are made by the companies and the employees in accordance with the respective funds' rules.

In addition to above, HPSTL also operates a defined contribution pension fund for employees who are eligible for the plan. HPSTL is required to contribute 10% of the basic pay of the employees on monthly basis. The HPSTL's contributions are recognised as employee benefit expense when they are due.

3.12 Revenue recognition

3.12.1 Sale of electricity

Revenue from the sale of electricity to the Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)], the sole customer of the holding company, was recorded based upon the output delivered and capacity available at rates as specified under the Power Purchase Agreement (PPA) with CPPA(G), as amended from time to time. PPA with CPPA(G) was a contract over a period of 30 years starting from 1997 which was terminated on October 1, 2024 as more fully explained in note 1.1. Late payment interest, as per the PPA, on receivables from CPPA(G) was recorded on accrual basis.

Revenue from the sale of electricity to the CPPA(G), the sole customer of NEL, is recorded based upon the output delivered and capacity available at rates as specified under the PPA with the CPPA(G). The payment is due 30 days after the acknowledgement of the invoice. PPA with CPPA(G) is a contract over a period of 25 years starting from 2011. Late payment interest, as per the PPA, on receivables from CPPA(G) is recorded on accrual basis. NEL has assessed that performance obligations under the PPA are discharged over time.

Revenue from the sale of electricity to the National Transmission and Despatch Company (NTDC), the sole customer of LEL, is recorded based upon the output delivered and average energy at rates as specified under the PPA with NTDC. The payment is due 30 days after the acknowledgement of the invoice. PPA is a contract over a period of 25 years starting from 2013. Late payment interest, as per the PPA, on receivables from NTDC is recorded on accrual basis. LEL has assessed that performance obligations under the PPA are discharged over time.

Revenue from the sale of electricity to the CPPA(G), the sole customer of TEL, is recorded based upon the output delivered and capacity available at rates as specified under the PPA with CPPA(G), as amended from time to time. The payment is due 30 days after the acknowledgement of the output delivered invoice and capacity available invoice, respectively. PPA with CPPA(G) is a contract over a period of 30 years starting from October 01, 2022. Late payment interest, as per the PPA, on receivables from CPPA(G) is recorded on accrual basis.

A contract asset is recognised when Group has fulfilled its obligations under the PPA before the customer pays consideration or before payment is due. A contract asset is Group's right to consideration that is conditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For all unconditional rights to receive consideration, a trade debt is recognised.

A refund liability is recognised if the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the Group does not expect to be entitled. The refund liability is updated at the end of each reporting period for changes in circumstances.

3.12.2 Operation and Maintenance (O&M) services income

Operation and maintenance fee under various contracts is measured at fair value of the consideration received or receivable and is recognised on accrual basis when services are rendered i.e. performance obligations are fulfilled in accordance with the terms of agreements. The credit limits in contracts with customers range from 30 to 45 days.

3.12.3 Services income

Revenue from services is recognised on accrual basis as and when services are rendered upon satisfaction of performance obligation, in accordance with the terms of agreements.

3.12.4 Dividend income

Dividend income is recognised when the holding company's right to receive payment has been established.

3.12.5 Interest income

Interest income is recorded on accrual basis.

3.12.6 Other income

Revenue from sale of Certified Emission Reductions (CERs) is recognised upon delivery of the CERs. Insurance claim is recorded on accrual basis when the claim is acknowledged by the insurance company.

3.13 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees which is the Group's functional currency, unless otherwise stated.

3.14 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee equivalents using the exchange rates at reporting date. Non-monetary assets and liabilities are stated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions and translations are included in the consolidated statement of profit or loss, except as follows.

In partial modification of S.R.O. 24(I)/2012 dated January 16, 2012, the SECP, vide S.R.O. 986(I)/2019 dated September 02, 2019, has granted exemption from the requirements of International Accounting Standard (IAS) 21 to the extent of capitalisation of exchange differences to all companies which have executed their Power Purchase Agreements before January 01, 2019. Accordingly, the exchange differences relating to foreign currency borrowings have been capitalised in the related property, plant and equipment' and are depreciated over the term of the PPA.

Had exchange differences, as allowed by the above mentioned S.R.O. not been capitalised, the profit for the year would have been lower by Rs. 106 million (2024; Rs. 2,950 million) and the property, plant and equipment as at June 30, 2025 would have been lower by Rs. 28,599 million (2024; Rs. 28,369 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.15 Taxation

3.15.1 Current

Income of the holding company, NEL, TEL and LEL is not liable to taxation in Pakistan, to the extent, provided in the Implementation Agreements signed with the Government of Pakistan (GOP) and the Income Tax Ordinance, 2001 (ITO 2001). Accordingly, provision for taxation, if any, is made only on the income liable to tax at the applicable rates of tax after taking into account tax credits, rebates etc. allowable under the ITO 2001.

Income of HPHL is subject to taxation in Pakistan in accordance with the provisions of the ITO 2001. Accordingly, provision for taxation has been made after taking into account tax credits etc., if any.

Income of HPSL is subject to taxation in Pakistan in accordance with the provisions of the ITO 2001 and tax laws adopted by Azad Jammu and Kashmir (AJK). Accordingly, provision for taxation has been made after taking into account tax credits etc., if any.

3.15.2 Deferred

Deferred tax is recognised using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3.16 Dividend and appropriation to reserves

Dividend distribution to the holding company's shareholders and NCI is recognised as a liability in the period in which it is approved. Similarly appropriation in reserves are also recognised when approved.

3.17 Segment reporting

Segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker in order to assess each segment's performance and to allocate resources to them. Segment reports are regularly reviewed by the board of directors.

3.18 Financial instruments

Recognition and Derecognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and de-recognised when the Group loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled or expired.

(a) Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value plus directly attributable transaction cost, if any, and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, payorders in hand, cash with banks on savings, call and term deposit accounts and short term borrowings payable on demand. Short term borrowings are shown in current liabilities.

(c) Borrowings

Borrowings are recognised initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

(d) Short term investments

These represent investment in Term Deposit Certificates, which are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

(e) Trade and other payables

Liabilities for trade and other amounts payable are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method.

(f) Financial Instruments- Interest rate benchmark reform

The Group has applied the amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16 that addresses the issues arising during the reform of benchmark interest rates including the replacement of one benchmark with an alternative one. Applying the practical expedient, introduced in the amendments when the benchmark affecting the Group's loan is replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loan's benchmark interest rate during the year has not resulted in immediate gain or loss recorded in profit or loss, which may have been required if the practical expedient was not available or adopted.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising on foreign currency borrowings, obtained for acquisition, construction or production of qualifying assets, to the extent that they are regarded as an adjustment to interest cost are included in the cost of qualifying assets. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation. Qualifying assets are assets that necessarily take substantial period of time to get ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.20 Off-setting

Financial assets and liabilities are offset and net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set-off the recognised amount and the Group intends either to settle on net basis, or to realise the assets and to settle the liabilities simultaneously.

3.21 Lease liabilities

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

3.22 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the holding company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.23 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except when the sales tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the consolidated statement of financial position.

3.24 Discontinued operation

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and represents a separate major line of business.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with the accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the periods in which the estimates are revised and in any future periods affected. Significant estimates, assumptions and judgements are disclosed in the relevant accounting policies and notes to these consolidated financial statements.

Following are the significant areas where management used estimates and judgements other than those which have been disclosed elsewhere in these consolidated financial statements:

- a) Determining the residual values and useful lives of property, plant and equipment and intangibles;
- b) Distinguishing between capital spares, servicing equipment and stores and spares;
- c) Determining the amount to be recognised as revenue and related contract asset / refund liability based on adjustment of tariff;
- d) Provisions;
- e) Recognition of taxation;
- f) Recognition of provision for staff retirement benefits;
- g) Impairment of goodwill, trade debts and other receivables;
- h) Commitments and contingencies;
- i) Determining the fair value of equity instruments designated as FVTOCI;
- j) Recognition of lease liabilities and right of use assets;
- k) Capitalisation of certain expenses as capital work-in-progress; and
- l) Fair value of investment in associate.

	2025	2024
	(Rs. '000s)	(Rs. '000s)
5. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Capacity Purchase Price (CPP)	47,146,724	76,195,522
Energy Purchase Price (EPP)	34,413,944	46,081,160
Late Payment Interest (LPI)	6,980,847	14,649,805
Startup Charges (SC)	37,566	115,290
Part Load Adjustment Charges (PLAC)	98,654	-
	88,677,735	137,041,777
Less: Sales tax on EPP	(5,326,243)	(6,516,244)
	83,351,492	130,525,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
6. COST OF REVENUE			
Fuel cost		25,840,401	35,288,199
Late payment interest to fuel suppliers		2,539,422	8,468,227
Salaries, benefits and other allowances	6.1	1,496,674	1,823,534
Water use charges		1,179,271	1,227,849
Ash disposal		274,869	304,703
Stores and spares		982,409	1,234,253
Insurance		1,949,902	3,250,267
Depreciation	14.3	5,342,703	6,674,460
Amortisation	15.2	38,862	67,227
Repairs, maintenance and other costs		3,883,091	3,840,858
		43,527,604	62,179,577

6.1 This includes Rs. 150 million (2024: Rs. 177 million) in respect of staff retirement benefits.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
7. GENERAL AND ADMINISTRATION EXPENSES			
Salaries, benefits and other allowances	7.1	1,010,845	944,763
Travel and transportation		79,138	79,736
Fuel and power		18,389	14,507
Property, vehicles and equipment rentals		1,190	14,614
Office running cost		119,188	91,857
Repairs and maintenance		48,663	40,403
Legal and professional charges		315,295	568,100
Insurance		25,427	27,282
Fee and subscription		14,334	18,853
Training and development		16,078	6,823
Auditors' remuneration	7.2	35,200	18,369
Donations	7.3	60,132	98,038
Corporate social responsibility		72,050	108,639
Printing and stationery		2,900	6,357
Depreciation	14.3	91,927	85,520
Amortisation	15.2	391	1,004
Miscellaneous		49,579	36,931
		1,960,726	2,161,796

7.1 This includes Rs. 78 million (2024: Rs. 68 million) in respect of staff retirement benefits.

7.2 Auditors' remuneration

The aggregate amount charged in respect of auditors' remuneration, including that of subsidiary companies, is as follows:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Statutory audits	10,068	7,685
Half yearly reviews and audit of special purpose financial statements	7,074	1,041
Certifications and other services	15,266	7,795
Out-of-pocket expenses	2,792	1,848
	<u>35,200</u>	<u>18,369</u>

- 7.3 During the year, the holding company and NEL made donation to The Citizens Foundation amounting to Rs. 10 million (2024: Rs. 44 million) and TEL made donation to the Thar Foundation amounting to Rs. 50 million (2024: Rs. 50 million). No directors or their spouses had any interest in any donee, to which donations were made, except for the Chief Executive Officer of TEL who is a Director in Thar Foundation.

	Note	2025	2024
		(Rs. '000s)	(Rs. '000s)
8. OTHER INCOME			
Financial assets			
Interest income		2,360,666	1,407,887
Gain on investment - Mutual Fund		683,307	-
Dividend income from SECMC		-	232,794
		<u>3,043,973</u>	<u>1,640,681</u>
Non-financial assets			
Gain on disposal of fixed assets - net		119,249	32,580
Income from O&M and other services	8.1	853,805	1,612,152
Revenue from sale of CERs		-	17,649
Others		4,152	1,739
		<u>977,206</u>	<u>1,664,120</u>
		<u>4,021,179</u>	<u>3,304,801</u>

8.1 Income from O&M and other services

Services income	2,634,459	3,181,849
Cost of services	(1,780,654)	(1,569,697)
	<u>853,805</u>	<u>1,612,152</u>

- 8.1.1 This includes income from TNPTL, CPHGC and CPHO under their respective service agreements on mutually agreed terms and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

9. INSURANCE CLAIM AGAINST ALTERNATE DAMAGE AND CONSEQUENT LOSS OF REVENUE

In 2022, the alternators of two engines at Narowal Plant having 38 MW capacity developed a fault. Two new alternators were procured as replacement and were resynchronized in February 2023.

The replacement amount and loss of revenue due to business interruption are covered under NEL's insurance policy. In the prior years, the insurance company partially disbursed an amount of USD 1.783 million (Rs. 509.664 million) in lieu of cost of alternators replacement and loss of revenue due to business interruption.

The insurance company agreed to disburse the remaining amount of USD 1.150 million (Rs. 320.319 million), out of which USD 1.115 million (Rs. 309.373 million) has been received as at reporting date.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
10. OTHER OPERATING EXPENSES			
Workers' profit participation fund	10.1	239,952	-
Sindh workers' welfare fund	10.2	-	-
Liquidated damages	10.3	-	2,155,904
Late payment interest on liquidated damages	29.2	498,106	-
Exchange loss - net		13,384	296,278
Loss on RFO disposal		366,730	-
Provision for Net Realizable Value (NRV) stores and spares	18.2	174,986	-
Trade debts written off	10.4	2,555,472	-
		<u>3,848,630</u>	<u>2,452,182</u>
10.1 Workers' profit participation fund			
Provision for Workers' profit participation fund	32.3	716,089	1,640,607
Workers' profit participation fund recoverable from CPPA(G)		(476,137)	(1,640,607)
		<u>239,952</u>	<u>-</u>
10.2 Sindh workers' welfare fund			
Provision for Sindh workers' welfare fund		33,784	20,129
Sindh workers' welfare fund recoverable from CPPA(G)		(33,784)	(20,129)
		<u>-</u>	<u>-</u>

10.3 In prior year, Liquidated Damages (LDs) imposed on TEL by the power purchaser on account of delay in COD achievement including resulting exchange rate variations had been recognised in profit or loss.

10.4 Pursuant to the negotiations regarding amendment in the PPA of NEL, the outstanding LPI balance till October 31, 2024 amounting to Rs. 1,908 million and prior period adjustment in relation to fuel amounting to Rs. 647 million have been written off.

		2025	2024
		(Rs. '000s)	(Rs. '000s)
11. FINANCE COSTS			
Interest / mark-up on long term loans		11,417,984	18,495,163
Mark-up on short term borrowings		2,305,739	6,630,021
Mark-up on long term lease liabilities		38,024	137,270
Amortisation of transaction cost		610,271	609,133
Other finance costs		858,735	871,987
		<u>15,230,753</u>	<u>26,743,574</u>
	Note	2025	2024
		(Rs. '000s)	(Rs. '000s)
12. SHARE OF PROFIT FROM ASSOCIATES AND JOINT VENTURES - NET			
Associates			
- China Power Hub Generation Company (Private) Limited			
- representing 47.5% (2024: 47.5%) equity shares		35,781,341	40,336,809
- obligation in respect of profit on shares related to GoB	29.4	(1,129,937)	(1,273,794)
		34,651,404	39,063,015
- Mega Motor Company Private Limited (MMCPL)			
(Percentage of holding 50%)		3,798	-
		<u>34,655,202</u>	<u>39,063,015</u>
Joint ventures			
- ThalNova Power Thar (Private) Limited			
[Percentage of holding 38.3% (2024: 38.3%)]		4,411,989	3,739,699
- Prime International Oil and Gas Company Limited			
[Percentage of holding 50% (2024: 50%)]		2,008,428	6,542,561
- China Power Hub Operating Company (Private)			
Limited (CPHO) [Percentage of holding 49% (2024: 49%)]		234,573	15,607
		6,654,990	10,297,867
		<u>41,310,192</u>	<u>49,360,882</u>
13. TAXATION			
Current			
- For the year		2,253,949	7,043,315
- Prior year		(16,670)	7,728
		2,237,279	7,051,043
Deferred		10,265,287	7,605,107
	13.1	<u>12,502,566</u>	<u>14,656,150</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
13.1 Relationship between tax expense and accounting profit			
Profit before taxation		64,115,150	89,974,406
Tax calculated at the rate of 29% (2024: 29%)		18,593,394	26,092,578
Effect of reduced rate of tax		(5,834,363)	(6,743,911)
Effect of exempt income		(5,350,937)	(10,795,895)
Effect of super tax at the rate of 10% (2024: 10%)		4,892,895	5,829,011
Others		201,577	274,367
		12,502,566	14,656,150

13.2 The holding company, HPSL, HPHL and NEL (wholly owned subsidiaries), have opted for Group Taxation under section 59AA of the Income Tax Ordinance, 2001.

		2025 (Rs. '000s)	2024 (Rs. '000s)
14. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	14.1	124,336,761	128,465,091
Capital work-in-progress (CWIP):			
Holding company	14.4	-	-
HPHL	14.5	52,073	-
NEL	14.6	-	-
TEL	14.7	362,944	474,854
		415,017	474,854
		124,751,778	128,939,945

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

14.1 Operating fixed assets

	Owned							Right of Use Asset				Total
	Freehold land	Building on freehold land	Buildings and civil structures on leasehold land	Leasehold property	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Leasehold land	Office building	Plant & machinery	
Cost:	(Rs. in '000)											
As at July 1, 2023	72,029	1,136,487	11,483,445	82,590	189,372,865	135,178	405,563	101,976	58,218	255,957	7,622,478	210,726,786
Additions / Transfers from CWIP	620,500	-	658,482	-	767,403	153,677	109,104	128,175	-	-	-	2,437,341
Adjustment (note 10.3)	-	-	-	-	(1,530,398)	-	-	-	-	-	-	(1,530,398)
Exchange loss on loans	-	(48,518)	-	-	(3,466,023)	-	-	-	-	-	(61,139)	(3,575,680)
Disposals	-	-	(1,091)	-	(110,927)	(797)	(33,813)	(3,984)	-	-	-	(150,612)
As at June 30, 2024	692,529	1,087,969	12,140,836	82,590	185,032,920	288,058	480,854	226,167	58,218	255,957	7,561,339	207,907,438
Additions / Transfers from CWIP	56,600	-	115,796	-	582,179	23,528	272,574	100,734	-	11,830	-	1,163,241
Reclassifications	-	-	10,068	-	-	-	-	(10,068)	-	-	-	-
Exchange (gain) / loss on loans	-	-	(1,673)	-	1,183,714	-	-	-	-	-	(2,115)	1,179,926
Disposals	-	-	-	-	(234,121)	-	(109,538)	(2,784)	-	-	-	(346,443)
Discontinued operations (note 41)	(677,100)	-	-	-	-	(5,054)	(248,762)	(79,347)	-	-	-	(1,010,263)
As at June 30, 2025	72,029	1,087,969	12,265,027	82,590	186,564,692	306,532	395,128	234,702	58,218	267,787	7,559,224	208,893,899
Accumulated depreciation::												
As at July 1, 2023	-	816,666	4,588,687	61,941	63,423,237	127,015	342,969	90,053	10,347	92,311	3,278,091	72,831,317
Charge for the year	-	50,996	430,255	18,359	5,805,046	35,049	39,168	55,253	2,512	46,807	276,626	6,760,071
Disposals	-	(1,091)	-	-	(109,355)	(797)	(33,814)	(3,984)	-	-	-	(149,041)
As at June 30, 2024	-	866,571	5,018,942	80,300	69,118,928	161,267	348,323	141,322	12,859	139,118	3,554,717	79,442,347
Reclassifications	-	-	3,123	-	-	-	-	(3,123)	-	-	-	-
Charge for the year	-	33,350	476,576	2,449	4,525,393	37,457	52,043	19,075	3,332	25,536	295,987	5,471,198
Disposals	-	-	-	-	(219,616)	-	(109,539)	(2,559)	-	-	-	(331,714)
Discontinued operations (note 41)	-	-	-	-	-	(406)	(15,111)	(9,176)	-	-	-	(24,693)
As at June 30, 2025	-	899,921	5,498,641	82,749	73,424,705	198,318	275,716	145,539	16,191	164,654	3,850,704	84,557,138
Net book value as at June 30, 2025	72,029	188,048	6,766,386	(159)	113,139,987	108,214	119,412	89,163	42,027	103,133	3,708,520	124,336,761
Net book value as at June 30, 2024	692,529	221,398	7,121,894	2,290	115,913,992	126,791	132,531	84,845	45,359	116,839	4,006,622	128,465,091
Depreciation rate % per annum	-	3.33 to 25	3.45 to 10	3.33 to 20	3.33 to 50	10 to 20	20 to 25	10 to 50	2.86 to 5.33	10 to 20	4 to 6.67	
Cost of fully depreciated assets as at June 30, 2025	-	272,881	55,721	48,975	1,319,177	54,300	150,099	62,990	-	-	-	1,964,143
Cost of fully depreciated assets as at June 30, 2024	-	256,932	-	-	1,270,123	53,618	262,120	51,249	-	-	-	1,894,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

14.2 Details of Group's immovable fixed assets:

Particulars	Area	Location
Freehold land and building	1,143 Acres	Hub Plant - District Lasbela, Balochistan
Freehold land and building	10 Kanal 09 Marla	Narowal Plant - Tehsil and District Narowal, Punjab
Freehold land and building	4 Kanal 01 Marla	Narowal Plant - Tehsil and District Narowal, Punjab
Freehold land and building	67 Acres	Narowal Plant - Tehsil and District Narowal, Punjab
Leasehold land	2,454 Kanals	Laraib Plant - New Bong Escape, Village Lehri, Mirpur AJK
Leasehold land	244 Acres	Thar Coal Block II, Taluka Islamkot, Sindh

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
14.3 Depreciation charge for the year has been allocated as follows:			
Operating costs	6	5,342,703	6,674,460
General and administration expenses	7	91,927	85,520
Other income		14,270	-
Discontinued operations		22,298	91
		5,471,198	6,760,071
14.4 Capital work-in-progress - Holding company			
Opening balance		-	267,197
Additions during the year		-	11,872
Transfers during the year		-	(279,069)
		-	-
14.5 Capital work-in-progress - HPHL			
Opening balance		-	-
Additions during the year		1,320,263	-
Discontinued operations (note 41)		(1,268,190)	-
		52,073	-
14.6 Capital work-in-progress - NEL			
Opening balance		-	2,392
Additions during the year		-	17,527
Transfers during the year		-	(19,919)
		-	-
14.7 Capital work-in-progress - TEL			
Opening balance		474,854	812,400
Additions during the year		415,849	1,076,685
Transfers during the year		(527,759)	(1,414,231)
		362,944	474,854

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 14.8** During the year, the holding company and NEL engaged an independent expert to the review of the residual values of its depreciable assets to ensure that the carrying amount of these assets reflects a more accurate depiction of their economic utility and value, and better reflection of their expected service potential, consistent with the requirements of applicable financial reporting framework.

Accordingly, the residual values have been revised and this change has been accounted for prospectively as a change in estimate in accordance with the IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors', and its impact has been recognised in the financial statements for the current and future periods. Resultantly, the depreciation charge of the Group for the year decreased by Rs. 1,771 million and the net book value of property, plant and equipment increased by same amount. The impact on future periods will depend on remaining useful lives of respective assets.

Had there been no change in the above accounting estimates, the profit after tax of the Group for the current year would have been lower by Rs. 1,771 million.

- 14.9** Details of disposal of operating fixed assets having net book value of Rs. 500,000 or more:

2025 Assets	Cost	Accumulated depreciation	Net book value (Rs. '000s)	Sale price	(Gain)/Loss (Note 9)	Mode of disposal	Particulars of buyer /Relationship
Plant & machinery	99,714	93,067	6,647	1,926	4,721	Bidding	Makram Steel
Plant & machinery	40,018	38,684	1,334	2,825	(1,491)	Bidding	Energyico Pk Ltd
Plant & machinery	14,404	11,665	2,739	415	2,324	Bidding	Syed Riaz Ahmed
Plant & machinery	5,955	4,822	1,133	702	431	Bidding	Makram Steel

15. INTANGIBLES

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Intangibles	15.1	<u>1,519,444</u>	<u>1,464,036</u>

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15.1 INTANGIBLES

	Goodwill (note 1 & 15.3)	Computer softwares (Rs. '000s)	Total
Cost			
As at July 1, 2023	1,414,096	338,965	1,753,061
Additions / reclassification	-	12,540	12,540
Write-offs	-	(33,096)	(33,096)
As at June 30, 2024	1,414,096	318,409	1,732,505
Additions	92,961	6,369	99,330
Discontinued operations (note 41)	-	(4,669)	(4,669)
Write-offs	-	(2,212)	(2,212)
As at June 30, 2025	1,507,057	317,897	1,824,954
Amortisation			
As at July 1, 2023	-	233,334	233,334
Charge for the year	-	68,231	68,231
Disposals / write-offs	-	(33,096)	(33,096)
As at June 30, 2024	-	268,469	268,469
Charge for the year	-	39,411	39,411
Discontinued operations (note 41)	-	(158)	(158)
Write-offs	-	(2,212)	(2,212)
As at June 30, 2025	-	305,510	305,510
Net book value as at June 30, 2025	1,507,057	12,387	1,519,444
Net book value as at June 30, 2024	1,414,096	49,940	1,464,036
Amortisation rate % per annum	-	33.33	-
Cost of fully amortised intangibles as at June 30, 2025	-	152,444	152,444
Cost of fully amortised intangibles as at June 30, 2024	-	166,736	166,736

Note	2025	2024
	(Rs. '000s)	(Rs. '000s)

15.2 Amortisation charge for the year has been allocated as follows:

Operating costs	6	38,862	67,227
General and administration expenses	7	391	1,004
Discontinued operations		158	-
		39,411	68,231

- 15.3 For impairment testing, goodwill has been allocated to 'Laraib plant' as Cash Generating Unit (CGU), which is also a reportable segment. No goodwill has been impaired as a result of annual impairment test carried out on June 30, 2025. The recoverable amount for the purpose of assessing impairment on goodwill on acquisition of the subsidiary is determined based on value in use. The calculations are based on the cash flows derived mainly under the PPA between LEL and the Power Purchaser for a term of 25 years from COD. These cash flows are denominated in USD and have been discounted using a discount rate which reflects the current market rate appropriate for the business. For the calculation, the Group has used a discount rate of 8.97% (2024: 9.61%) and the cash flows are discounted over whole of the life of the project. The management believes that any reasonable possible change to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
16. LONG TERM INVESTMENTS			
Investment in associates (under equity method) - unquoted			
- China Power Hub Generation Company (Private) Limited (CPHGC)	16.1	156,993,174	121,539,372
- Mega Motor Company Private Limited (MMCPL)	16.2	2,063,339	-
		<u>159,056,513</u>	<u>121,539,372</u>
Investment in joint ventures (under equity method) - unquoted			
- ThalNova Power Thar (Private) Limited (TNPTL)	16.3	17,482,823	13,070,834
- China Power Hub Operating Company (Private) Limited (CPHO)	16.4	568,117	333,544
- Prime International Oil and Gas Company Limited	16.5	13,776,572	11,686,046
		<u>31,827,512</u>	<u>25,090,424</u>
		<u>190,884,025</u>	<u>146,629,796</u>
Others - unquoted			
Equity investment at fair value through other comprehensive income			
- Sindh Engro Coal Mining Company Limited (SECMC)	16.6	5,240,837	4,427,817
		<u>196,124,862</u>	<u>151,057,613</u>
16.1 China Power Hub Generation Company (Private) Limited (CPHGC)			
Opening investment		121,539,372	100,939,111
Share of profit from associates		35,781,341	40,336,809
Share of other comprehensive income / (loss) from associates		(1,712)	1,261
Adjustment in respect of change in net assets of associates	16.1.1	(325,827)	-
Dividend received		-	(19,737,809)
		<u>156,993,174</u>	<u>121,539,372</u>

HPHL has 47.5% legal ownership interest in China Power Hub Generation Company (Private) Limited (CPHGC), the principal business of which is to own, operate and maintain two coal-fired power generation units of 660 MW each with ancillary jetty in the province of Balochistan. The project achieved its Commercial Operation Date (COD) on August 17, 2019.

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Pursuant to Memorandum of Understanding (MOU) dated December 23, 2016 with Government of Balochistan (GoB), HPHL and China Power International (Pakistan) Investment Limited (CPIPI) are committed to transfer 3% equity shareholding in CPHGC (1.5% each by HPHL and CPIPI) to GoB in lieu of resources and services etc. to benefit CPHGC, the modalities of which are currently in progress. The transfer was required to be executed by COD. The legal process for transfer of shares is yet to be completed. HPHL is making an accrual for liability in respect of share of profit relating to such shares (refer notes 12 and 29.4).

On March 09, 2020, the CPHGC applied for the One Time Adjustment of Tariff under clause 12.10 of Schedule 1 to the PPA to be approved by National Electric Power Regulatory Authority (NEPRA). On June 30, 2022, NEPRA decided upon the Commercial Operations Date (COD) Adjustment Tariff dated, February 12, 2016 (Tariff Decision) forming the basis on which future indexations in the CPHGC's tariff are to be made and the revenue to be recognised with effect from the date of the COD. The CPHGC believes that the aforementioned Tariff Decision is principally not in accordance with the CPHGC's Upfront Tariff issued by NEPRA dated February 12, 2016, and being aggrieved from the Tariff Decision, the CPHGC has filed an appeal before the Appellate Tribunal NEPRA (ATN) on July 29, 2022, in accordance with applicable legislation. On September 7, 2022, ATN has suspended the Tariff adjustment decision dated June 30, 2022 and allowed the indexation adjustment already approved on provisional basis, subject to final approval of the appeal.

In light of the aforementioned appeal filed and favorable advice from the CPHGC's legal counsel, the CPHGC's management has assessed that the CPHGC has strong legal grounds against certain disallowances made by NEPRA in the Tariff Decision and the CPHGC has continued to recognise revenue in its financial statements in accordance with its interpretation of the relevant tariff provisions.

CPHGC has recorded a contract asset amounting to Rs. 2,646 million which includes certain Capacity Purchase Price and Energy Purchase Price components as per the PPA for the period August 17, 2019 to June 30, 2025 related to the aforementioned One Time Adjustment of Tariff. CPHGC will be able to raise the invoice for billing and recover this amount once the matter is decided by ATN in favour of CPHGC.

Sponsors' support for CPHGC

Pursuant to Sponsor Support Agreement entered into with the lenders of CPHGC, the HPHL is committed to arrange for working capital financing through HPHL amounting to USD 90.25 million in case CPHGC fails to arrange for working capital facility for its operations. This commitment is valid till the full repayment of project loans of CPHGC.

Shares held by HPHL in CPHGC are pledged in favour of the Security Trustee in order to secure HPHL's obligations under the financing documents of CPHGC.

The summarised financial information of CPHGC is set out below:

Note	2025	2024
	(Rs. '000s)	(Rs. '000s)
Non-current assets	346,481,744	357,704,875
Current assets	296,978,686	260,425,579
Total assets	643,460,430	618,130,454
Non-current liabilities	(212,257,679)	(246,746,439)
Current liabilities	(110,951,120)	(125,771,967)
Total liabilities	(323,208,799)	(372,518,406)
Net assets of the associate available for distribution	320,251,631	245,612,048
Proportion of HPHL's interest in associate	47.5%	47.5%
Goodwill	152,119,525	116,665,723
Carrying amount of HPHL's interest in associate as at June 30	4,873,649	4,873,649
	156,993,174	121,539,372
Revenue from contract with customer	142,725,709	161,563,934
Profit for the year	75,329,140	84,919,596
Other comprehensive (loss) / income for the year	(3,605)	2,655
Total comprehensive income for the year	75,325,535	84,922,251

CPHGC has tax contingencies wherein the tax authorities have demanded amount of Rs. 13,223 million (2024: Rs. 7,217 million) in several notices, demands and orders. However, considering the grounds of the matter, the management and their tax advisor are of the opinion that the position of CPHGC is sound on technical basis, accordingly no provision has been made.

Outstanding commitments as at June 30, 2025 amount to USD 5.8 million (Rs. 1,646 million) [2024: USD 84.93 million (Rs. 23,657 million)].

- 16.1.1** During the year, CPHGC declared and paid dividend to its foreign shareholder, China Power International (Pakistan) Investment Limited (CPIPI) amounting to Rs. 685.95 million. HPHL waived its entitlement to the accrued interest income that had arisen on account of delay in remittance of the dividend to CPIPI. HPHL has recognised the impact of this change in net assets directly in the unappropriated profit.

	2025	2024
	(Rs. '000s)	(Rs. '000s)
16.2 Mega Motor Company (Private) Limited (MMCPL)		
Fair value of retained investment	2,062,492	-
Share of profit from associate	3,798	-
Company's share in share issue cost	(2,951)	-
	2,063,339	-

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MMCPL was incorporated in Pakistan on May 06, 2024 as a private limited company. The principal activity of the Company is to assemble, progressively manufacture and market BYD vehicles in Pakistan. Initially, it was a wholly owned subsidiary (through HPHL), however, on December 03, 2024, HPHL entered into a shareholders agreement with Mega Conglomerate (Private) Limited (MCPL) and Mega Motor Company (Private) Limited (MMCPL) whereby the HPHL offered 50% controlling interest in Mega Motor Company (Private) Limited to Mega Conglomerate Private Limited. Thus, on February 28, 2025, the Hub Power Holdings Limited diluted its equity interest by 50% in Mega Motor Company (Private) Limited.

As explained in note 1.3, during the year Hub Power Holdings Limited diluted its holding in Mega Motor Company (Private) Limited. Resultantly, Mega Motor Company (Private) Limited became an associate of HPHL. The retained interest in Mega Motor Company (Private) Limited in accordance with IAS 28 'Investments in Associates and Joint Ventures' is remeasured at fair value as at the date of dilution, which aggregated to Rs. 2,062.49 million. The fair value measurement was determined based on the management internal model based on discounted cashflow approach. The model was prepared using following key inputs / assumptions:

Discount rate

The discount rates applied to the cashflow projections of MMCPL have been calculated using Capital Asset Pricing Model which range from 20.3% to 28.1%. The discount rates reflect the current market assessment of the rates of return required for the business and the specific risks of each MMCPL.

Exchange rate

The exchange rate devaluation considered at the rate of 5% per annum. This is based on management forecast using historic trends and outlook from market experts.

The summarised financial information of MMCPL are set out below:

	2025
	(Rs. '000s)
Non-current assets	5,297,482
Current assets	5,811,622
Total assets	11,109,104
Non-current liabilities	(547,191)
Current liabilities	(7,483,557)
Total liabilities	(8,030,748)
Net assets of the associate available for distribution	3,078,356
Proportion of the Company's interest in associate	50%
	1,539,178
Fair value adjustment in net assets of associate	524,161
Carrying amount of the Company's interest in associate	2,063,339
Revenue from contract with customer - net	10,869,890
Loss for the year	(859,805)
Other comprehensive income for the year	-
Total comprehensive income for the year	(859,805)

MMCPL had no material contingency as at June 30, 2025. Outstanding commitments as at June 30, 2025 amount to Rs. 4.14 million.

Based on rights and obligations envisaged in SHA, the investment in MMCPL is classified as an investment in associated company and it is accounted for under the equity method in these consolidated financial statements.

	2025	2024
	(Rs. '000s)	(Rs. '000s)
16.3 ThalNova Power Thar (Private) Limited (TNPTL)		
Opening investment	13,070,834	9,248,899
Investment during the year	-	87,780
Share of profit from joint venture	4,363,121	3,690,831
Realised profit on services	48,868	48,868
Group's share in share issuance cost	-	(5,544)
	<u>17,482,823</u>	<u>13,070,834</u>

TNPTL is a private limited company, incorporated in Pakistan on April 18, 2016. The principal activities of TNPTL are to develop, own, operate and maintain a 1 x 330 MW mine-mouth coal fired power plant (the Project) at Thar Block II, Thar Coal Mine, Sindh.

In 2019, the holding company, through HPHL, acquired 38.3% ownership interest in TNPTL pursuant to Share Subscription Agreement (SSA) / Shareholders Agreement (SHA) entered between HPHL, TNPTL and its sponsors (Thal SPV and Nova SPV). As at June 30, 2025, HPHL has injected USD 52.074 million (Rs. 8,973 million) in TNPTL based on the estimated project cost. All the requirements of equity injection have been completed.

Project status

On September 30, 2020, Private Power Infrastructure Board (PPIB) on behalf of the Government of Pakistan notified the achievement of Financial Close of TNPTL. TNPTL achieved COD on February 17, 2023.

Under the Power Purchase Agreement (PPA), the Company's Required Commercial Operations Date (RCOD) was March 31, 2021. Considering the delay in RCOD, the Company requested Central Power Purchasing Agency (Guarantee) Limited [CPPA(G)] for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with SECMC. CPPA(G) granted extension in the RCOD of the Company till June 30, 2022, subject to payment of undisputed High Voltage Direct Current (HVDC) Transmission Line charges under certain conditions, if charged to CPPA(G) by National Transmission and Dispatch Company Limited (NTDC), from the COD of HVDC Transmission Line under certain conditions.

CPPA(G) has raised invoices for payment of HVDC charges amounting to USD 31 million, TNPTL has challenged the determination of the invoices, and has sought certain clarifications from CPPA(G). Despite several requests, the CPPA(G) has not furnished the requested information so far, and consequently TNPTL has disputed all the invoices raised by the CPPA(G). Accordingly, in view of TNPTL's management, supported by its legal counsel there is no exposure on the TNPTL to make any payment on account of HVDC charges.

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The delay in payment of obligation determined, if any, upon resolution of the dispute will carry mark-up at KIBOR plus 2% per annum.

The holding company's commitment to TNPTL

Under the SSA and SHA, subject to the term of financing documents, the holding company is restricted to transfer or otherwise dispose the shares held in TNPTL or create encumbrance till the 6th anniversary of the COD of TNPTL.

In connection with the development of TNPTL's project and pursuant to Shareholders' Agreement dated March 25, 2019, the holding company has obtained following approvals from shareholders in general meeting on April 16, 2019 and is committed to:

- (i) Make investments in TNPTL up to an amount not exceeding USD 50.5 million (or PKR equivalent) by way of a subscription of shares. The investment amount has been enhanced in February 2023 by USD 1.8 million (or PKR equivalent). Such investment shall be made within a period up till December 2024 or such period until the liabilities / obligations of the sponsors of TNPTL remain undischarged, whichever is later. Total investment in TNPTL to date stands at USD 52.07 million (or PKR equivalent). The equity commitment stands completed in July 2023.
- (ii) undertake to the Lenders of TNPTL or to arrange and / or provide working capital financing to TNPTL, directly or through HPHL, equivalent to an aggregate amount of USD 23 million. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities / obligations are discharged, whichever is later;
- (iii) to assign its rights, benefits and interests in respect of any investment made in TNPTL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TNPTL) including the benefits of any indemnities, warranties and guarantees, in favour of the lenders of TNPTL, directly or through HPHL. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities / obligations are discharged, whichever is later. To fulfil this requirement the holding company has signed subordination agreement on July 24, 2019;
- (iv) pledge its shares (if any) in TNPTL held by it from time to time, in favour of the Lenders of TNPTL, whether such shares are acquired directly by way of subscription or otherwise. Such investment shall be for a period up till August 31, 2033 or such period until the liabilities / obligations are discharged, whichever is later. The holding company, through HPHL, has executed Share Pledge Agreement on November 08, 2019 to fulfil this condition;
- (v) provide a guarantee (in the form of SBLC) for the benefit of TNPTL and Intercreditor Agent for an aggregate amount of USD 20 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 PCD, and (c) COD undertakings. Such investment commitment shall be for a period up till the earlier of PCD or July 31, 2026. On January 08, 2020, the holding company issued Cost Overrun SBLC amounting to USD 19.68 million to the lenders of TNPTL which is valid till July 31, 2026. The facility is secured by way of pari passu charge over all present and future assets of the holding company other than current assets;
- (vi) participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions ("Put Option / CRG Financiers") in favour of the foreign lenders and contributing payment up to USD 10 million (or PKR equivalent) ("Put Option / CRG Contribution Amount") under the same as primary obligor in accordance with the terms of the Agreement Regarding Procedures Following Event of Default. Such sponsor obligation shall be valid till August 31, 2033. Accordingly, the holding company has entered into a Put Option Sponsor Support Agreement dated July 22, 2019 and fulfilled the condition by providing pari passu charge on the holding company's assets, other than current assets;

- (vii) provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TNPTL is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest up to the extent of USD 7 million), or such other amount as may be agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such Sponsor obligation shall be valid till August 31, 2033. Accordingly, the holding company has entered into a Put Option Sponsor Support agreement dated July 22, 2019 and fulfilled the condition by providing pari passu charge on the holding company's assets, other than current assets;
- (viii) provide security in form and substance acceptable to the Put Option / CRG Financiers or such other alternate / additional security as the Put Option / CRG Financiers may require from time to time up to the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons. Accordingly, the holding company has entered into a Put Option Sponsor Support agreement dated July 22, 2019 and fulfilled the condition by providing pari passu charge on the holding company's assets, other than current assets; and pursuant to the Sponsor Support Agreements, the holding company has agreed that in the event of devaluation of the Rupee and a consequent shortfall, the sponsors (including the holding company) will provide coverage to HBL under the Put Option Facility, the holding company has fulfilled obligations and provide an SBLC amounting to Rs. 2,250 million to secure the shortfall amount. The facility is initially secured through a ranking charge over all current and future fixed assets of the holding company, excluding land and buildings. This arrangement will be upgraded to a first pari passu charge. Additionally, HPHL will provide a lien and right of set-off over present and future dividends from CPHGC, as declared by CPHGC from time to time, this security will be called pursuant to occurrence of an Event of Default under the SBLC Agreement.
- (ix) provide (if required) a contractual commitment and a holding company guarantee to TNPTL guaranteeing the due and punctual performance of obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or the expiry of the O&M Agreement. On September 17, 2019, the holding company provided Parent Company Guarantee to TNPTL in the form of a corporate guarantee as per the terms of the O&M agreement.
- (x) Under the terms of the Power Purchase Agreement dated July 21, 2017, between TNPTL and the CPPA(G), as amended from time to time, TNPTL is required to provide a letter of credit in favor of CPPA(G) to secure certain obligations under the PPA ("PPA SBLC"). Since TNPTL does not have adequate security to fully secure its obligations under such a letter of credit, TNPTL has requested its Sponsors to provide replacement security. This security will be provided by way of a ranking charge, to be upgraded to a first pari passu charge, on the holding company's current and future fixed assets excluding land and buildings, amounting to Rs. 1,107 million inclusive of 20% margin.

Based on rights and obligations envisaged in SHA, in respect of all key relevant activities of TNPTL, the investment in TNPTL is classified as a Joint Venture and is accounted for under the equity method in these consolidated financial statements.

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The summarised financial information of TNPTL is set out below:

Note	2025	2024
	(Rs. '000s)	(Rs. '000s)
Non-current assets	101,834,854	103,168,166
Current assets	55,836,089	49,498,973
Total assets	157,670,943	152,667,139
Non-current liabilities	(76,559,388)	(81,769,812)
Current liabilities	(32,017,678)	(33,190,065)
Total liabilities	(108,577,066)	(114,959,877)
Net assets	49,093,877	37,707,262
Less: Advance received against issue of shares	-	(5,346)
Net assets of the associate available for distribution	49,093,877	37,701,916
Proportion of the HPHL's interest in joint venture	38.3%	38.3%
Unrealised profit on management services	18,802,955	14,439,834
Others	(1,347,951)	(1,396,819)
Carrying amount of HPHL's interest in joint venture as at June 30	27,819	27,819
Revenue from contract with customer - net	17,482,823	13,070,834
Depreciation	56,914,188	62,870,893
Amortisation	3,176,581	2,930,205
Interest income	42,537	41,398
Finance cost	1,311,724	1,126,618
Taxation	11,005,142	12,674,292
Profit for the year	446,548	413,809
Cash and cash equivalent	11,391,961	9,636,635
	29,200,015	19,647,750

The joint venture had no material contingency as at June 30, 2025 other than those disclosed elsewhere in these consolidated financial statements. Outstanding commitments as at June 30, 2025 amount to USD 8.3 million and Rs. 7,197 million (2024: USD 8.3 million and Rs. 6,925 million).

16.4 China Power Hub Operating Company (Private) Limited (CPHO)

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Opening investment	333,544	317,937
Share of profit from joint venture	234,573	15,607
	568,117	333,544

On October 29, 2021, HPHL executed a Joint Venture Agreement (JV Agreement) with China Power International Maintenance Engineering Company Limited (CPIME), for establishing a joint venture in Pakistan for the purpose of, inter alia, providing operation, maintenance, and other services to China Power Hub Generation Company (Private) Limited (CPHGC) in connection with its 1320 MW coal fired power plant located in Hub Balochistan (CPHGC's Plant) and to other customers. On January 20, 2022, a company by the name of China Power Hub Operating Company (Private) Limited (CPHO) was incorporated. HPHL's shareholding in CPHO is 49%. On February 10, 2022, an Operations and Maintenance Agreement (the O&M Agreement) was executed between CPIME, CPHO and CPHGC. Pursuant to the O&M Agreement, CPHO was appointed to operate and maintain CPHGC's Plant for a term of 6 years. During the year, on January 31, 2025 CPHGC, CPHO and CPIME signed the termination agreement to terminate operations and maintenance agreement with effect from February 1, 2025.

Based on rights and obligations envisaged in SHA, in respect of all key relevant activities of CPHO, the investment in CPHO is classified as a Joint Venture and is accounted for under the equity method in these consolidated financial statements.

The summarised financial information of CPHO are set out below:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Non-current assets	93,105	140,076
Current assets	1,210,204	2,086,004
Total assets	1,303,309	2,226,080
Current liabilities	-	(1,545,377)
Non-current liabilities	(143,888)	-
Total liabilities	(143,888)	(1,545,377)
Net assets of the joint venture available for distribution	1,159,421	680,703
Proportion of the Company's interest in joint venture	49.0%	49.0%
Carrying amount of HPHL's interest in associate as at June 30	568,117	333,544
Revenue from contract with customer	3,372,778	6,511,362
Profit for the year	478,721	31,851

The joint venture had no major contingency and commitments as at June 30, 2025 and June 30, 2024.

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Opening investment	11,686,046	5,550,044
Share of profit from joint venture	2,008,428	6,251,971
Share of other comprehensive income / (loss) from joint venture	298,098	(265,659)
Adjustment for restatement in last year financial statements	-	293,690
Dividend received	(216,000)	(144,000)
	13,776,572	11,686,046

16.5 Prime International Oil & Gas Company Limited (Prime)

Opening investment	11,686,046	5,550,044
Share of profit from joint venture	2,008,428	6,251,971
Share of other comprehensive income / (loss) from joint venture	298,098	(265,659)
Adjustment for restatement in last year financial statements	-	293,690
Dividend received	(216,000)	(144,000)
	13,776,572	11,686,046

On March 08, 2021, Prime International Oil and Gas Company Limited (Prime), a 50:50 joint venture of HPHL and ENI local employees — 'the EBO Group', executed Sale and Purchase Agreements (SPAs) to acquire all the upstream operations and renewable energy assets owned by ENI in Pakistan. HPHL and the EBO Group have acquired 50% shareholding each in Prime, in accordance with the Shareholders' Agreement (SHA) entered to such effect.

Under the SPAs, Prime was required to complete certain conditions precedent within 18 (eighteen) months from the date of SPAs. These conditions included but not limited to (i) payment of a deposit as defined in SPAs and (ii) obtaining regulatory approvals from the government authorities.

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HPHL paid an initial contribution in Prime amounting to Rs. 525 million on March 08, 2021, enabling Prime to make payment of deposit to ENI entities, fulfilling condition (i) above. This initial contribution included 50% contribution towards the payment of deposit by the EBO Group (Rs. 262.4 million), which was refunded to HPHL on June 08, 2021. Furthermore, under the SHA, HPHL also invested Rs. 18.08 million in Prime on March 17, 2021, to meet transaction-related expenses for ENI entities' acquisition. The transaction has been approved by Competition Commission of Pakistan as required under the relevant SPAs.

HPHL is committed to provide Corporate and Bank guarantees amounting to USD 4 million and USD 3 million, respectively.

Based on the committed equity percentage of 50% and rights and obligations envisaged in the SHA, the investment in Prime is classified as a Joint Venture and is accounted for under the equity method in these consolidated financial statements.

The summarised financial information of Prime are set out below:

Note	2025	2024
	(Rs. '000s)	(Rs. '000s)
Non-current assets	9,142,231	8,826,544
Current assets	44,740,168	41,793,519
Total assets	53,882,399	50,620,063
Current liabilities	(10,140,168)	(10,322,228)
Non-current liabilities	(16,309,075)	(17,045,731)
Total liabilities	(26,449,243)	(27,367,959)
Net assets of joint venture available for distribution	27,433,156	23,252,104
Share Premium	(119,988)	(119,988)
	27,313,168	23,132,116
Proportion of the HPHL's interest in joint venture	50%	50%
	13,656,584	11,566,058
Share Premium	119,988	119,988
Carrying amount of HPHL's interest in joint venture as at June 30	13,776,572	11,686,046
Revenue from contracts with customers	12,913,533	16,960,425
Profit for the year	4,016,855	12,503,944
Other comprehensive income / (loss)	596,198	(531,318)
Impact of restatement	-	587,379
Total comprehensive income	4,613,053	12,560,005
Depreciation	1,817,607	3,128,994
Amortisation	105,999	99,894
Interest income	669,962	496,110
Finance cost	549,459	871,244
Taxation	(1,742,001)	(531,147)
Cash and cash equivalent	19,834,483	14,530,645

The joint venture had no major contingency and commitments as at June 30, 2025 and June 30, 2024.

16.6 Sindh Engro Coal Mining Company Limited (SECMC)

SECMC is a public unlisted company, incorporated in Pakistan on October 15, 2009. The principle activity of SECMC is to develop, construct and operate open cast lignite mine in Block II Thar Coal Mine, Sindh.

Pursuant to Share Holder's Agreement, the holding company agreed to invest the equivalent of USD 20 million at or soon after Financial Close of SECMC or at such later time or times as required by the Financing Agreements of SECMC at a share price of Rs. 14.82 per share. As at June 30, 2025 the holding company has injected USD 15.506 million (Rs. 1,909 million) [2024: USD 15.506 million (Rs. 1,909 million)] representing 8% equity stake in SECMC.

SECMC achieved its COD for Phase-I and Phase-II of the mine on July 10, 2019 and October 1, 2022 respectively, increasing the total capacity from 3.8 MPTA to 7.6 MPTA. The Thar Coal Energy Board (TCEB) approved a tariff of Block II.

In addition to the USD 20 million equity, the holding company is committed to provide Sponsor Support Guarantee to cover cost overruns for an amount not exceeding USD 5 million (in equivalent PKR), if at any time prior to the Project Completion Date a funding shortfall occurs. Each Sponsor is obligated to pay the cost overrun amount in cash, by way of subscription of SECMC shares or at the option of the Sponsors collectively, by way of a subordinated debt to SECMC. The shareholders during the EOGM held on January 14, 2016 approved the cost overrun support of USD 4 million and further approved the increase in cost overrun support to USD 5 million in the EOGM held on June 22, 2018. Since SECMC has achieved PCD for phase 1, the cost over run commitment stand reduce to USD 0.864 million.

The investment in SECMC for the purposes of cost overrun and PSRA will only be made in the event there is an overrun or shortfall, respectively. If the entire amount of Sponsor Support Guarantee to cover cost overrun is called and the entirety of the payment under the SBLC for PSRA shortfall is demanded, the maximum investment of the holding company in SECMC shall be USD 31 million.

On February 26, 2016, the sponsors, including the holding company, entered into a SSA with Habib Bank Limited as a condition precedent for the availability of loan facilities to SECMC. Pursuant to the terms and conditions set forth in the SSA, the holding company has provided Sponsor Equity Contribution Letter of Credit in the form of an Irrevocable SBLC in favour of Habib Bank Limited, dated March 18, 2016 for a total amount not exceeding USD 12.650 million. The SBLC has been reduced to USD 1.752 million.

Additionally, a Share Pledge Agreement was also executed by the Shareholders of SECMC including the holding company on March 09, 2016 in favour of the Security Trustee in accordance with the provisions of the Finance Documents whereby all shares of SECMC are pledged.

The holding company has entered into definitive agreement for further acquisition of shares of SECMC. The completion of the proposed transaction is subject to necessary corporate and regulatory approvals, consent and other conditions.

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
20. TRADE DEBTS - Secured			
Considered good - Secured			
Capacity Purchase Price (CPP)		18,174,425	55,450,451
Energy Purchase Price (EPP)		5,876,556	11,433,526
Late Payment Interest (LPI)	20.1.1 & 32.8	4,915,153	32,740,881
Startup Charges (SC)		-	115,290
	20.1	<u>28,966,134</u>	<u>99,740,148</u>

- 20.1 This includes an amount of Rs. 15,964 million (2024: Rs. 70,058 million) receivable from CPPA(G) and Rs. Nil (2024: Rs. 4,759 million) receivable from NTDC which are overdue but not impaired because the trade debts are secured by a guarantee from the GOP under Implementation Agreements.

In case of TEL, the delay in payments from CPPA(G) carries mark-up at KIBOR 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 1% (2024: three month KIBOR plus 2% for first 60 days from due date and thereafter three month KIBOR plus 4.5%) per annum effective from November 1, 2024. In case of LEL, delay in payment from CPPA(G) carries mark-up at a rate of six month KIBOR plus 2% per annum for all overdue amounts. No LPI is charged against late payment interest invoices.

The aging of these receivables are as follows:

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Not yet due	20.1.1	13,002,590	24,923,500
Overdue:			
Up to 6 months		12,902,267	37,374,500
6 months to 1 year		3,061,277	21,299,142
1 year to 2 years		-	3,431,562
Over 2 years		-	12,711,444
		<u>28,966,134</u>	<u>99,740,148</u>

- 20.1.1 This includes Rs. 3,481 million (2024: Rs. 8,822 million) related to LPI which is not yet billed by the Group.

21. CONTRACT ASSET AND REFUND LIABILITY

This includes revenue in respect of certain CPP and EPP components as per TEL's PPA for the period October 01, 2022 to June 30, 2025. TEL expects to recover / settle this amount once the signing of outstanding PPA schedules are finalized and finalization of Tariff adjustments by NEPRA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
22. LOANS AND ADVANCES			
Considered good - non interest bearing			
Loans to employees - unsecured		2,702	2,501
Considered good - interest bearing			
Loan to MMCPL - an associated company	22.1	1,400,000	-
Advances - unsecured			
Executives		2,945	-
Employees		334	563
Suppliers		197,786	298,405
		201,065	298,968
		1,603,767	301,469
22.1	HPhL extended an unsecured loan to MMCPL for an amount up to Rs. 4,000 million which carries markup at the rate of 0.7% per annum above one month KIBOR. These are neither past due nor impaired and are recoverable in ordinary course of business. The maximum aggregate amount outstanding at any time during the year was Rs. 1,700 million.		

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
23. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		17,713	-
Prepayments		336,371	387,129
Other receivables			
Interest accrued		14,705	32,269
Income tax - Contractor tax refundable	23.1	372,469	372,469
Sales tax		12,031,292	12,047,807
Advance tax		87,589	73,881
Staff gratuity	29.5	44,848	-
Staff retirement benefit - pension fund		422	2,380
Receivable from:			
- CPHGC	23.2	44,916	33,279
- Prime	23.3	5,114	3,919
- MMCPL	23.4	79,019	-
- CPHO	23.5	-	32,168
- TNPTL	23.6	528,530	534,894
- TNPTL against services agreement	23.6	-	167,222
Receivable against RFO		1,530,342	-
Workers' profit participation fund recoverable from CPPA(G)		8,040,985	7,564,130
Cash margin with banks	23.7	1,028,246	3,193,392
Sindh workers' welfare fund		53,913	15,542
Miscellaneous		94,218	287,010
		23,956,608	24,360,362
		24,310,692	24,747,491

- 23.1 The holding company and the power plant construction contractors had entered into a Turnkey Construction Contract (TKC). Under the terms of the TKC, the holding company was required to pay all income tax liability on payments to contractors and sub-contractors. Under the PPA with CPPA(G), any tax paid by the holding company on behalf of construction contractors and sub-contractors was to be reimbursed by CPPA(G).

Under the provisions of the Implementation Agreement (IA) between the holding company and Government of Pakistan (GoP) it was agreed that payments to contractors and sub-contractors would be subject to 4% tax which would be full and final liability on account of income tax. Accordingly, the provisions of tax law were amended. However, in 1998, few years after the tax had been paid, the FBR contended that holding company was liable to pay tax at 8% instead of the agreed rate of 4% and was also liable to pay tax on taxes paid on behalf of contractors and sub-contractors on "tax on tax" basis at the corporate rates ranging from 52% to 58% instead of 4%. Accordingly, demand notices were issued and the holding company was required to pay Rs. 966 million. On payment of Rs. 966 million, the holding company immediately billed these amounts to CPPA(G). Against these demands by FBR, appeals were filed by the contractors and sub-contractors which were decided in their favour. The FBR has filed appeals before the courts which are pending adjudication.

On holding company's and other IPPs representation, the Economic Coordination Committee (ECC) of the Federal Cabinet of the GOP directed the FBR to refund the tax recovered by it over and above 4%. The FBR has so far refunded Rs. 593 million but withheld Rs. 373 million on the pretext that the ECC decision was not applicable on "tax on tax" issue and also because the FBR has filed appeals before the courts which are pending adjudication.

The holding company continued its discussions with the GOP and the FBR for the balance refund of Rs. 373 million. As a result, the tax department passed revised orders recognising refunds aggregating to Rs. 300.5 million. The tax law specifies that once an order recognising refund is passed, only then a taxpayer can apply for issuance of refund order and refund cheque. Accordingly, the holding company has filed applications with the tax department for issuance of refund orders and cheques for the above amounts. The holding company is also pursuing the tax department for issuance of revised orders recognising the balance refund amounting to Rs. 72.5 million.

The management and the holding company's tax advisors are of the opinion that the position of the contractors and the holding company is strong on legal grounds and on the basis of the above referred orders, therefore, tax of Rs. 373 million will be refunded.

- 23.2 These are neither past due nor impaired and are recoverable in ordinary course of business. The maximum aggregate amount due at the end of any month during the year was Rs. 45 million (2024: Rs. 33 million).
- 23.3 These are neither past due nor impaired and are recoverable in ordinary course of business. The maximum aggregate amount due at the end of any month during the year was Rs. 5 million (2024: Rs. 4 million).
- 23.4 These are neither past due nor impaired and are recoverable in ordinary course of business. The maximum aggregate amount due at the end of any month during the year was Rs. 79 million (2024: Nil).
- 23.5 These represents receivable CPHO against Management Services Agreement / reimbursement of expenses. The maximum aggregate amounts due at the end of any month during the year was Rs. 32 million (2024: Rs. 369 million).
- 23.6 These are neither past due nor impaired and are recoverable in ordinary course of business. The maximum aggregate amounts due at the end of any month during the year was Rs. 702 million (2024: Rs. 2,555 million).
- 23.7 This represents cash margin with bank as security for TEL amounting Rs. 450 million (2024: Rs. 450 million) and CMEC amounting Rs. 578 million (2024: Rs. 578 million) respectively. It also includes cash margin Nil (2024: Rs. 2,165 million) against SBLs.

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
24. CASH AND BANK BALANCES			
At bank			
Savings accounts	24.1	29,760,563	24,317,311
Current accounts		105,541	2,001
Bank placements	24.1 & 24.2	923,472	4,603,898
		30,789,576	28,923,210
In hand			
Cash		1,900	1,950
Payorders / cheques		456,200	180,000
		458,100	181,950
		31,247,676	29,105,160

24.1 Savings accounts and bank placements carry mark-up rates ranging between 0.1% to 19.50% (2024: 0.75% to 20.50%) per annum.

24.2 This represents TDR placement with bank amounting Rs. 923.4 million (2024: Rs. 4,604 million).

25. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025 (No. of Shares)	2024		2025 (Rs. '000s)	2024 (Rs. '000s)
1,700,000,000	1,700,000,000	Authorised :	17,000,000	17,000,000
		Ordinary shares of Rs.10/- each		
958,773,317	958,773,317	Issued, subscribed and paid-up:	9,587,733	9,587,733
		Ordinary shares of Rs.10/- each		
		For cash		
338,022,463	338,022,463	For consideration other than cash	3,380,225	3,380,225
358,607	358,607	- against project development cost	3,586	3,586
338,381,070	338,381,070	- against land	3,383,811	3,383,811
1,297,154,387	1,297,154,387		12,971,544	12,971,544

25.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the holding company. All shares carry one vote per share without restriction. The holding company may not pay dividend until certain financial requirements of lenders are satisfied.

25.2 Associated undertakings held 264,146,002 (2024: 264,146,002) shares in the holding company as at year end.

25.3 During the year, the Group has created a maintenance reserve of Rs. 3,129 million for major maintenance expenses of the plants of NEL and LEL.

26. LONG TERM LOANS - Secured

From Banks / Financial Institutions	Note	As at July 01, 2024	Drawn Translation / Unwinding of profit	Repaid	Current Position	Amortisation of Transaction costs	As at June 30, 2025
------(Rs. '000s)-----							
Hub plant							
TEL / CPHGC /							
SECMC / TNPTL investment							
Syndicated term finance facility		11,694,497	-	(11,694,497)	-	-	-
Islamic finance facility		3,121,196	-	(3,121,196)	-	-	-
		14,815,693	-	(14,815,693)	-	-	-
Transaction costs		(26,526)	-	-	-	26,526	-
Long term loans of the holding company	26.1	14,789,167	-	(14,815,693)	-	26,526	-
Subsidiary - LEL							
Foreign currency loans	26.2	2,283,600	(4,722)	(2,278,878)	-	-	-
Local currency loans		-	-	-	-	-	-
Foreign currency loans		2,283,600	(4,722)	(2,278,878)	-	-	-
Transaction costs		(1,017)	-	-	-	1,017	-
Long term loans of LEL		2,282,583	(4,722)	(2,278,878)	-	1,017	-
Subsidiary - HPHL							
Syndicated term finance facility	26.3	500,000	-	(500,000)	-	-	-
Long term Sukuk Certificates	26.4	4,500,000	-	(4,500,000)	-	-	-
		5,000,000	-	(5,000,000)	-	-	-
Transaction cost		(18,078)	-	-	-	18,078	-
Long term loans of HPHL		4,981,922	-	(5,000,000)	-	18,078	-
Subsidiary - TEL							
Local currency loans	26.5	18,326,746	-	(744,467)	(1,004,163)	-	16,578,116
Foreign currency loans	26.5	67,900,685	1,186,419	(5,639,046)	(6,075,602)	-	57,372,456
		86,227,431	1,186,419	(6,383,513)	(7,079,765)	-	73,950,572
Transaction costs		(3,172,231)	-	-	482,353	564,250	(2,125,628)
Long term loans of TEL		83,055,200	1,186,419	(6,383,513)	(6,597,412)	564,250	71,824,944
		105,108,872	1,181,697	(28,478,084)	(6,597,412)	609,871	71,824,944

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From Banks / Financial Institutions	Note	As at July 01, 2023	Drawn Translation / Unwinding of profit	Repaid	Current Position	Amortisation of Transaction costs	As at June 30, 2024
------(Rs. '000s)-----							
Hub plant							
TEL / CPHGC /							
SECMC / TNPTL investment							
Syndicated term finance facility		15,473,552	-	(3,779,055)	(4,024,176)	-	7,670,321
Islamic finance facility		4,061,789	-	(940,593)	(1,038,239)	-	2,082,957
Long Term Sukuk certificates I		1,750,000	-	(1,750,000)	-	-	-
Long Term Sukuk certificates II		2,500,000	-	(2,500,000)	-	-	-
		23,785,341	-	(8,969,648)	(5,062,415)	-	9,753,278
Transaction costs		(51,772)	-	-	10,651	25,246	(15,875)
Long term loans of the holding company		23,733,569	-	(8,969,648)	(5,051,764)	25,246	9,737,403
Subsidiary - NEL							
Syndicated term finance facility - II		833,334	-	(833,334)	-	-	-
Long term loans of NEL		833,334	-	(833,334)	-	-	-
Subsidiary - LEL							
Foreign currency loans	26.2	4,703,152	(136,169)	(2,283,383)	(2,283,600)	-	-
Local currency loans		(8,124)	-	-	1,017	7,107	-
Long term loans of LEL		4,695,028	(136,169)	(2,283,383)	(2,282,583)	7,107	-
Subsidiary - HPHL							
Syndicated term finance facility	26.3	1,375,000	-	(875,000)	(500,000)	-	-
Long term Sukuk Certificates	26.4	6,000,000	-	(1,500,000)	(3,000,000)	-	1,500,000
		7,375,000	-	(2,375,000)	(3,500,000)	-	1,500,000
Transaction cost		(42,835)	-	-	16,007	24,757	(2,071)
Long term loans of HPHL		7,332,165	-	(2,375,000)	(3,483,993)	24,757	1,497,929
Subsidiary - TEL							
Local currency loans	26.5	18,853,000	-	(526,254)	(702,763)	-	17,623,983
Foreign currency loans	26.5	76,594,774	(3,394,662)	(5,299,427)	(5,563,871)	-	62,336,814
		95,447,774	(3,394,662)	(5,825,681)	(6,266,634)	-	79,960,797
Transaction costs		(3,724,254)	-	-	917,002	552,023	(2,255,229)
Long term loans of TEL		91,723,520	(3,394,662)	(5,825,681)	(5,349,632)	552,023	77,705,568
		128,317,616	(3,530,831)	(20,287,046)	(16,167,972)	609,133	88,940,900

Holding Company

- 26.1 The PPA has been early terminated effective from October 1, 2024, due to which the holding company decided to settle all long term loans subsequent to which all the related securities have also been released.

Subsidiary - LEL

- 26.2 LEL has entered into long-term loan facilities of USD 98.3 million with various foreign banks / financial institutions at an interest rate of six month LIBOR plus 4.75% per annum. Repayment of the principal amount of long-term loan facilities was to be made in 24 equal semi-annual instalments, the first such payment commenced on November 5, 2013 and then on interest payment date (each January 1 and July 1) until and including the final maturity date on November 5, 2024. Any delay in payments by LEL was subject to additional payment of 2% per annum above normal interest rate. All loans were completely repaid during the year. Consequently, all the underlying charges were released.

Subsidiary - HPHL

- 26.3 On November 12, 2019, HPHL entered into a long term finance arrangement with a bank for an amount of Rs. 2,500 million to arrange for equity commitment of TNPTL. The facility was repayable in eight instalments on semi annual basis starting from May 18, 2021 at a mark-up rate of 3 month KIBOR plus 1.50% per annum. The mark-up was payable on quarterly basis in arrears. Any late payment by the HPHL was subject to an additional mark-up of 2% per annum. This loan was secured by way of ranking over all present and future assets of the holding company. HPHL has fully repaid the principal and related interest during the year.
- 26.4 On November 12, 2020, HPHL issued privately placed secured Sukuk Certificates amounting to Rs. 6,000 million at a discounted value of Rs. 4,948 million covering profit payment for the first two years of the issue. The Sukuk Certificates carried mark-up at the rate of 2.5% per annum above six-month KIBOR. Commencing from November 2022, the mark-up on the Sukuk was payable on semi-annual basis in arrears. The principal was payable in four equal semi-annual installments commencing from May 2024, however, the HPHL has fully repaid the principal and related profit during the year.

Subsidiary - TEL

- 26.5 TEL had signed long-term loan facility agreements for Pakistan Rupee Facility amounting to Rs. 18,853 million and US Dollar Facility amounting to USD 262.13 million on December 20, 2018. The Effective Date of both facilities is March 6, 2020.

The Pakistan Rupee Facility carries mark-up at the rate of 3 months KIBOR plus 3.5% per annum payable semi-annually. The principal is repayable in twenty semi-annual instalments commencing from July 25, 2023. The first disbursement under this facility was made on March 17, 2020.

The US Dollar Loan Facility carries mark-up at the rate of 6 months LIBOR plus 4.05% per annum payable semi-annually. The principal is repayable in twenty semi-annual instalments. The first disbursement under this facility was made on August 4, 2021. TEL executed an amendment to the USD Facility Agreement on January 8, 2025. Pursuant to this amendment, the revised markup applicable from the repayment due on July 25, 2025, and onwards shall be based on the Daily SOFR with a 120-day look-back period, plus a credit adjustment spread of 0.42826% per annum, and an additional spread of 4.05% per annum. The interest shall be payable on a semi-annual basis.

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The long term loan facilities are secured against:

- (i) First ranking hypothecation charge over the project assets of TEL; and
- (ii) Pledged shares of TEL in favor of Security Trustee.

Under the terms of the Amended and Restated Accounts Agreement and the Syndicate Facility Agreement, as amended by the Syndicate Facility Amendment Agreement, TEL is required to comply with the following financial covenants at the end of each annual and interim reporting period

Type of ratio	Minimum requirement
- Debt to Equity ratio	75:25
- Receivable Turnover ratio	3:1
- Historical Debt Service Cover ratio	1.10:1
- Loan Life Cover ratio	1.10:1

TEL has complied with the above covenants throughout the reporting period. Also, there are no indications that TEL would have difficulties complying with the covenants when they will be tested as at December 31, 2025 i.e. the next interim testing date.

27. LONG TERM LEASE LIABILITIES

		As at July 01, 2024	Additions	Translation/ Finance cost	Repaid	Current portion	As at June 30, 2025
Note		(Rs. '000s)					
Islamic Development Bank	27.1	866,102	-	(1,380)	(864,722)	-	-
Lease liability - Office building		201,745	11,830	22,133	(45,668)	(55,904)	134,136
		<u>1,067,847</u>	<u>11,830</u>	<u>20,753</u>	<u>(910,390)</u>	<u>(55,904)</u>	<u>134,136</u>

		As at July 01, 2023	Additions	Translation/ Finance cost	Repaid	Current portion	As at June 30, 2024
Note		(Rs. '000s)					
Islamic Development Bank	27.1	1,808,271	(26,766)	(51,668)	(863,735)	(866,102)	-
Lease liability - Office building		188,691	26,766	26,163	(39,875)	(47,453)	154,292
		<u>1,996,962</u>	<u>-</u>	<u>25,505</u>	<u>(903,610)</u>	<u>(913,555)</u>	<u>154,292</u>

- 27.1 LEL entered into a lease agreement with Islamic Development Bank in respect of plant and machinery of USD 37.3 million. The rate of return used as the discounting factor is 10.33% (2024: 10.33%) per annum. The lease rentals are payable in 24 semi-annual instalments, the first such payment commenced on November 5, 2013 and then on rental payment date (each January 1 and July 1) until and including the final maturity date on November 5, 2024. Any delay in payments by LEL was subject to an additional payment of 2% per annum above normal return rate. This lease was fully repaid during the year.

In addition to the above, LEL executed lease agreements with the Government of AJK ("GOAJK") for lease of land for its power project and its registered office having estimated remaining lease term of 16 years.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)

28. DEFERRED TAXATION

Deferred taxation comprises temporary difference relating to:

Long term investments (on share of profits and OCI)	28.1	<u>35,730,838</u>	<u>25,468,708</u>
28.1	Includes deferred tax expense arising on account of recognition of deferred tax liability on the taxable temporary differences at the additional rate of 10% super tax that is effective from July 01, 2022.		

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)

29. TRADE AND OTHER PAYABLES

Creditors			
Trade	29.1	12,530,875	44,346,575
Others		<u>318,806</u>	<u>446,743</u>
		12,849,681	44,793,318
Accrued liabilities			
Finance costs		75,680	5,335
Miscellaneous		<u>7,154,879</u>	<u>5,291,416</u>
		7,230,559	5,296,751
Unearned income	29.3	27,127	2,675,154
Obligation to transfer shares to GoB	29.4	5,580,980	4,461,386
Other payables			
Workers' profit participation fund	32.3	8,374,465	8,047,916
Sindh workers' welfare fund recoverable		33,784	15,542
Liquidated damages payable	29.2	-	1,672,971
Payable to TNPTL		258,661	-
Sales tax payable		-	18,881
Staff retirement benefits:			
Staff gratuity	29.5	43,958	48,497
Provident funds		6,288	820
Retention money		98,150	25,044
Withholding tax		163,558	82,291
Others		10,559	295,621
		8,989,423	10,207,583
		<u>34,677,770</u>	<u>67,434,192</u>

- 29.1 This includes payable to Pakistan State Oil Company Limited (PSO) amounting to Nil (2024: Rs. 28,147 million), out of which overdue amount is Nil (2024: Rs. 18,795 million) (note 1.1).
- 29.2 This represented liquidated damages payable to CPPA(G) under the PPA due to delay in the achievement of COD beyond Required Commercial Operations Date (RCOD) for the period November 23, 2021 to September 30, 2022 (refer note 10.3).

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29.3 This includes Nil (2024: Rs. 2,616 million) in respect of Capacity Purchase Price invoiced for the succeeding month under the terms of PPA for Hub plant and Rs. 27 million (2024: Rs. 59 million) invoiced under the services agreement with TNPTL. The unearned income outstanding as at June 30, 2024 amounting Rs. 2,616 million and Rs. 59 million respectively has been fully recognised in revenue during the year.

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
29.4 OBLIGATION TO TRANSFER SHARES TO GOB			
Opening balance		4,461,386	3,187,552
Add: Obligation representing share of profit relating to shares to be transferred to GOB	12 & 16.1	1,129,937	1,273,794
Adjustment in respect of change in net assets of associate		(10,289)	-
Add: Obligation representing share of OCI relating to shares to be transferred to GOB		(54)	40
		<u>1,119,594</u>	<u>1,273,834</u>
		<u>5,580,980</u>	<u>4,461,386</u>
29.5 STAFF GRATUITY			
Staff gratuity liability			
Staff gratuity - holding company	29.5.1	-	8,880
Staff gratuity - HPSL	29.5.2	43,958	20,353
Staff gratuity - TEL	29.5.3	-	19,264
		<u>43,958</u>	<u>48,497</u>
Staff gratuity asset			
Staff gratuity - holding company	29.5.1	(44,275)	-
Staff gratuity - TEL	29.5.3	(573)	-
		<u>(44,848)</u>	<u>-</u>

The Group offers a defined post-employment gratuity benefit to eligible employees. The gratuity fund is governed under the Trust Act, 1882, Trust Deed and Rules of the Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lies with the Board of Trustees of the Fund.

Actuarial valuations were carried out as at June 30, 2025. The present value of defined benefit obligation has been calculated using the Projected Unit Credit Actuarial Cost Method. The details of the actuarial valuations are as follows:

	2025 (Rs. '000s)	2024 (Rs. '000s)
29.5.1 Staff Gratuity - Holding Company		
Reconciliation of the net (asset) / liability recognised in the consolidated statement of financial position		
Present value of defined benefit obligation	332,634	300,784
Fair value of plan assets	(376,909)	(291,904)
Net (asset) / liability recognised in the consolidated statement of financial position	(44,275)	8,880
Reconciliation of the movements during the year in the net (asset) / liability recognised in the consolidated statement of financial position		
Opening net liability	8,880	31,183
Expense recognised	46,806	42,496
Remeasurement gain recognised in consolidated Other Comprehensive Income (OCI)	(58,861)	(9,799)
Contributions to the fund made during the year	(41,100)	(55,000)
Closing net (asset) / liability	(44,275)	8,880
Expense recognised		
Current service cost	44,242	36,291
Net interest	2,564	6,205
Expense recognised	46,806	42,496
Re-measurements recognised in consolidated OCI during the year		
Remeasurement (gain) / loss on defined benefit obligations	(29,443)	9,183
Remeasurement gain on plan assets	(29,418)	(18,982)
	(58,861)	(9,799)
Movement in the present value of defined benefit obligation		
Present value of defined benefit obligation at opening	300,784	273,933
Current service cost	44,242	36,291
Interest cost	46,481	43,992
Benefits paid	(29,430)	(62,615)
Remeasurement (gain) / loss recognised in OCI	(29,443)	9,183
Present value of defined benefit obligation at closing	332,634	300,784
The movement in fair value of plan assets		
Fair value of plan assets at opening	291,904	242,750
Expected return on plan assets	43,917	37,787
Contributions made	41,100	55,000
Benefits paid	(29,430)	(62,615)
Remeasurement gain recognised in OCI	29,418	18,982
Fair value of plan assets at closing	376,909	291,904
Actual return on plan assets	73,335	56,769

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Plan assets comprise of following:

	2025	2025	2024	2024
	%	(Rs. '000s)	%	(Rs. '000s)
Pakistan Investment Bonds	46.82%	176,462	53.86%	157,216
Sukuk	2.66%	10,024	0.00%	-
Term Finance Certificate	4.13%	15,558	5.42%	15,814
Treasury Bills	20.68%	77,942	11.20%	32,699
Quoted shares	22.16%	83,511	18.91%	55,212
Cash and cash equivalents	3.56%	13,412	10.61%	30,963
	100%	376,909	100.00%	291,904

Contribution expected to be paid to the plan during the next year

2025	2024
(Rs. '000s)	(Rs. '000s)
42,135	46,806

Significant actuarial assumptions used in the actuarial valuation are as follows:

- Valuation discount rate per annum	12.25%	14.75%
- Expected rate of return on plan assets per annum	15.00%	15.00%
- Expected rate of increase in salary level per annum	12.75%	14.75%
- Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1

Expected maturity analysis of undiscounted retirement benefit plan:

	Less than 1 year	Between 1 - 5 years	over 5 years
	-----	(Rs. '000s) -----	-----
Retirement benefit plan	43,592	104,734	393,704

Historical information of retirement benefit plan:

	2025	2024	2023	2022	2021
	-----	-----	-----	-----	-----
	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)	(Rs. '000s)
As at June 30					
Present value of defined benefit obligation	332,634	300,784	273,933	316,564	335,262
Fair value of plan assets	(376,909)	(291,904)	(242,750)	(326,436)	(354,796)
(Surplus) / deficit	(44,275)	8,880	31,183	(9,872)	(19,534)

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Sensitivity analysis on significant actuarial assumptions		
- Impact on defined benefit obligation - (increase) / decrease		
- Discount rate +0.5%	13,696	12,355
- Discount rate -0.5%	(14,615)	(13,161)
- Salary increases +0.5%	(13,715)	(12,421)
- Salary increases -0.5%	12,986	11,777

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the consolidated statement of financial position.

The plan exposes the holding company to the actuarial risks such as:

Investment risks:

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual servicing period is longer than expected. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

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29.5.2 Staff gratuity - HPSL

Actuarial valuations were carried out as at June 30, 2025. The present value of defined benefit obligation has been calculated using the Projected Unit Credit Actuarial Cost Method. The details of the actuarial valuations are as follows:

	2025 (Rs. '000s)	2024 (Rs. '000s)
Reconciliation of the net asset recognised in the consolidated statement of financial position		
Present value of defined benefit obligation	519,662	598,442
Fair value of plan assets	(475,704)	(578,089)
Net liability recognised in the consolidated statement of financial position	43,958	20,353
Reconciliation of the movements during the year in the net asset recognised in the consolidated statement of financial position		
Opening net liability	20,353	20,027
Expense recognised	69,004	76,627
Contributions to the fund made during the year	(41,251)	(44,249)
Remeasurement gain recognised in consolidated OCI	(4,148)	(32,052)
Closing net liability	43,958	20,353
Expense recognised		
Current service cost	82,226	72,088
Past service cost	(18,736)	-
Net-Interest expense	5,514	4,539
	69,004	76,627
Remeasurements recognised in Consolidated OCI during the year		
Remeasurement loss / (gain) on defined benefit obligations	48,760	(4,144)
Remeasurement gain on plan assets	(52,908)	(27,908)
	(4,148)	(32,052)
Movement in the present value of defined benefit obligation		
Present value of defined benefits obligation at opening	598,442	490,924
Current service cost	82,226	72,088
Past service cost	(18,736)	-
Interest cost on defined benefits obligation	75,070	83,640
Benefits paid / payable to outgoing member(s)	(266,100)	(44,066)
Remeasurement loss / (gain) recognised in OCI	48,760	(4,144)
Present value of defined benefits obligation at closing	519,662	598,442

	2025 (Rs. '000s)	2024 (Rs. '000s)
The movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	578,089	470,897
Interest income on plan assets	69,556	79,101
Net amount transferred by employer to the fund	41,251	44,249
Benefits paid / payable to outgoing member	(266,100)	(44,066)
Remeasurement gain recognised in OCI	52,908	27,908
Fair value of plan assets at closing	475,704	578,089
Actual return on plan assets	122,464	108,551
Contribution expected to be paid to the plan during the next year	81,956	80,643

	2025 %	2025 (Rs. '000s)	2024 %	2024 (Rs. '000s)
Plan assets comprise of following:				
Mutual funds	20.05%	95,387	13.41%	77,503
Pakistan Investment Bonds	41.43%	197,107	30.34%	175,367
Market treasury bills	0.00%	-	23.98%	138,646
Certificates	37.44%	178,112	27.26%	157,612
Cash and cash equivalents	1.07%	5,098	5.01%	28,961
	100.00%	475,704	100.00%	578,089

	2025	2024
Significant actuarial assumptions used in the actuarial valuation are as follows:		
- Valuation discount rate per annum	12.25%	14.75%
- Expected return on plan assets per annum	15.00%	15.00%
- Expected rate of increase in salary level per annum	12.75%	14.75%
- Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1
- Rate of employee turnover	Moderate	Moderate

Expected maturity analysis of undiscounted retirement benefit plan:

	Less than 1 year	Between 1 - 5 years	over 5 years
	(Rs. '000s)		
Retirement benefit plan	13,813	242,181	417,038

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Historical information of retirement benefit plan:

	2025	2024	2023	2022	2021
	----- (Rs. '000s) -----				
As at June 30					
Present value of defined benefit obligation	519,662	598,442	490,924	425,921	440,483
Fair value of plan assets	(475,704)	(578,089)	(470,897)	(453,632)	(444,251)
Deficit / (surplus)	43,958	20,353	20,027	(27,711)	(3,768)

Sensitivity analysis on significant actuarial assumptions

- Impact on defined benefit obligation - (increase) / decrease

	2025 (Rs. '000s)	2024 (Rs. '000s)
- Discount rate +0.5%	24,387	25,726
- Discount rate -0.5%	(26,444)	(27,665)
- Long term salary increases +0.5%	(24,995)	(26,194)
- Long term salary increases -0.5%	23,285	24,585

The plan exposes the HPSL to the actuarial risks such as:

Investment risks:

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual servicing period is longer than expected. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

29.5.3 Staff gratuity - TEL

Actuarial valuations were carried out as at June 30, 2025. The present value of defined benefit obligation has been calculated using the Projected Unit Credit Actuarial Cost Method. The details of the actuarial valuations are as follows:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Reconciliation of the net liability recognised in the consolidated statement of financial position		
Present value of defined benefit obligation	9,677	26,973
Fair value of plan assets	(10,250)	(7,709)
Net (asset) / liability	(573)	19,264
Movement in net liability recognised in the consolidated statement of financial position is as follows:		
Opening net liability	19,264	1,764
Expense recognised	(10,467)	3,355
Remeasurement loss recognised in OCI	2,930	14,145
Contributions made	(12,300)	-
Closing net (asset) / liability	(573)	19,264
Expense recognised		
Current service cost	(13,468)	2,989
Net-Interest	3,001	366
Expense recognised	(10,467)	3,355
Re-measurements recognised in consolidated other comprehensive income		
Remeasurement loss on defined benefit obligation	(1,627)	(12,811)
Remeasurement loss on plan assets	(1,303)	(1,334)
	(2,930)	(14,145)
Movement in the defined benefit obligation is as follows:		
Present value of defined benefit obligation at opening	26,973	9,473
Current service cost	(13,468)	2,989
Interest cost	4,304	1,700
Benefits paid to outgoing members	(9,759)	-
Remeasurement loss recognised in OCI	1,627	12,811
Present value of defined benefit obligation at closing	9,677	26,973

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	2025 (Rs. '000s)	2024 (Rs. '000s)
The movement in fair value of plan assets is as follows:		
Fair value of plan assets at opening	7,709	7,709
Interest income on plan assets	1,303	1,334
Contributions made	12,300	-
Benefits paid to outgoing members	(9,759)	-
Remeasurement loss on plan assets	(1,303)	(1,334)
Fair value of plan assets at closing	10,250	7,709

Expected cost to be recognised for the year ending June 30, 2026 is Rs. 1.9 million.

Plan assets comprise of following:

- Cash and cash equivalents	10,250	7,709

	2025	2024
Significant actuarial assumptions used in the actuarial valuation are as follows:		
- Valuation discount rate per annum	12.25%	14.75%
- Expected rate of increase in salary level per annum	12.75%	14.75%
- Mortality rates	SLIC (2001-05)	SLIC (2001-05)
- Rates of employee turnover	Moderate	Moderate

Historical information of retirement benefit plan:

	2025	2024	2023	2021	2022
	----- (Rs. '000s) -----				
As at June 30					
Present value of defined benefit obligation	9,677	26,973	9,473	7,145	5,964
Fair value of plan assets	(10,250)	(7,709)	(7,709)	(4,748)	(4,748)
Deficit / (surplus)	(573)	19,264	1,764	2,397	1,216

2025

2024

Sensitivity analysis on significant actuarial assumptions**- Impact on defined benefit obligation - (increase) / decrease**

- Discount rate +1%	1,170	3,057
- Discount rate -1%	(1,374)	(3,562)
- Salary increases +1%	(1,306)	(3,397)
- Salary increases -1%	1,137	2,977

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

Expected maturity analysis of undiscounted retirement benefit plan:

	Less than 1 year -----	Between 1 - 5 years (Rs. '000s) -----	over 5 years -----
Retirement benefit plan	207	2,011	7,125

The plan exposes TEL to the actuarial risks such as:**Investment risks:**

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual servicing period is longer than expected. This risk is measured at the plan level over the entire retiree population.

Salary increase risks:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risks:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

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	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
30. INTEREST / MARK-UP ACCRUED			
Interest / mark-up accrued on long term loans		3,732,300	5,203,135
Mark-up accrued on short term borrowings		32,021	1,171,568
		<u>3,764,321</u>	<u>6,374,703</u>
31. SHORT TERM BORROWINGS			
Secured			
Financing from banks	31.1 to 31.5	5,686,292	18,365,984
Unsecured			
Privately placed sukuk	31.6 to 31.7	-	11,000,000
		<u>5,686,292</u>	<u>29,365,984</u>
31.1	The Islamic facility for short term loans available to the holding company from a bank amounted to Rs. 9,000 million at mark-up 0.20% per annum above one / three month / six month KIBOR. The mark-up on the facility is payable in arrear. The facility will expire on September 30, 2025. Any late payment by the holding company is subject to an additional payment of 2% per annum above the normal mark-up rate. The facilities are secured by way of ranking charge over the plant, machinery, stores and spare parts of the holding company for the Hub plant.		
31.2	The facilities of NEL for running finances available from various banks / financial institutions amounted to Rs. 1,250 million (2024: Rs. 4,150 million) at mark-up 1% (2024: 0.05% to 2%) above one month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrears. The facilities will expire on July 31, 2025. Any late payment by NEL is subject to an additional payment of 2.0% per annum above the normal mark-up rate.		
31.3	NEL also has Musharaka agreements with banks amounting to Rs. 1,225 million (2024: Rs. 4,125 million), at profit ranging from 0.25% to 0.40% (2024: 0.1% to 1.75%) per annum above one month / three month KIBOR. The mark-up on the facilities is payable on quarterly basis in arrears. These facilities will expire during the period from August 31, 2025 to November 30, 2025. Any late payment by the NEL is subject to an additional payment of 2.0% per annum above the normal mark-up rate.		
31.3.1	The facilities as mentioned in note 31.3 and 31.4 are secured by way of:		
	a) first ranking charge on all present and future (i) amounts standing to the credit of the Energy Payment Collection Account and the Master Facility Account; (ii) Fuel, lube, fuel stocks at the plant; and (iii) Energy Payment Receivables of NEL; and		
	b) subordinated charge on all present and future plant, machinery and equipment and other moveable assets of NEL excluding; (i) the immoveable properties; (ii) Hypothecated Assets under first ranking charge; (iii) Energy Payment Collection Account, Working Capital Facility Accounts and the Master Facility Account; (iv) Energy Payment Receivables; (v) all of the NEL's right, title and interest in the Project Documents (including any receivables thereunder); and (vi) all current assets.		

- 31.4 The working capital facilities of LEL available from various banks amounted to Rs. 500 million (2024: Rs. 1,000 million) at a mark-up of 0.75% per annum above one month as well as three-month KIBOR, payable on quarterly basis in arrears. The facility is secured by way of subordinated charge over the present and future current assets (including receivables, advances, deposits and prepayments) of LEL. The facility will expire on October 31, 2025.
- 31.5 The working capital facility of TEL represents utilized portion of syndicated working capital finance facilities amounting to Rs. 5,344 million (2024: Rs. 4,447 million) at a profit of 3 months KIBOR plus 0.75% and 1% per annum (2024: 1.25% per annum). The profit / markup on the facility is payable on quarterly basis in arrears. The facility will expire on January 23, 2026. The facility is secured by way of pari passu charge over current assets, with 20% margin. Charge on fix assets with 20% margin is subordinated to the long term lenders.
- 31.6 The holding company issued privately placed unsecured Sukuk Certificates based on Musharaka amounting to Rs. 6,000 million at a mark-up of 0.10% (Bases Rate) per annum above six month KIBOR. The mark-up and the principal on the Sukuk was paid on November 4, 2024.
- 31.7 On April 18, 2024, TEL issued unsecured Sukuk Certificates amounting to Rs. 5,000 million. The Sukuk Certificates carry mark-up at the rate of 6 months KIBOR plus 0.6% per annum. The certificates matured on October 18, 2024.

32. COMMITMENTS AND CONTINGENCIES

- 32.1 Commitments of the holding company in respect of capital and revenue expenditures amounted to Rs. 15 million (2024: Rs. 119 million).
- 32.2 Pursuant to the NSA dated October 17, 2024, the Power Purchase Agreement (PPA) with respect to the Hub Plant was prematurely terminated effective October 1, 2024. Based on in-house legal opinion, the holding company believes the premature PPA termination being a situation beyond its reasonable control, falls within the ambit of an Excusable Event under the PEPI Agreement executed between the holding company and General Electric Global Services GmbH (GEGS) therefore, no termination or residual value payments are payable to GEGS. However, as a matter of prudence, a provision of USD 2.2 million has been recognised in these consolidated financial statements.
- 32.3 The holding company had filed a petition in the Honorable Sindh High Court (SHC) on June 28, 2000, challenging the application of the Companies Profits (Workers' Participation) Act, 1968 (the Act) on the grounds, that since its inception, the holding company had not employed any person who falls within the definition of the term "Worker" as it has been defined in the Act.

The petition was filed subsequent to the service on the holding company of a letter of March 14, 2000, by the Labour, Manpower, and Overseas Pakistanis' Division, directing the holding company to allocate 5% of its net profit (since its establishment) towards the Workers' Profit Participation Fund. The said notice demanded that the holding company deposit the entire amount of the Fund in the Federal Treasury. The petition had been filed against the Federation of Pakistan through the Secretary, Ministry of Labour, Manpower and Overseas Pakistanis' Division and, in view of the fact that any payment made by the holding company to the Fund is a pass-through item under the PPA and against the CPPA(G) as a pro forma party in the matter.

In December 2003, the holding company decided on a fresh legal review of the petition and thereafter was advised by counsel to withdraw the petition and to immediately file a fresh petition incorporating all the available grounds. Accordingly, on December 17, 2003, the holding company withdrew the petition and immediately refiled a new petition, which incorporated all the available grounds.

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Both the holding company and CPPA(G) agreed that this petition should proceed, and a judgment obtained on merits. During the year ended June 30, 2011, the petition was dismissed by the Honorable SHC. Against the decision of the SHC, the holding company filed petition for leave to appeal before the Honorable Supreme Court of Pakistan (SCP). In December 2011, the Honorable SCP set aside the judgement of the Honorable SHC and directed it to decide the case afresh. The matter is pending adjudication before the Honorable SHC.

As of June 30, 2025, the total financial exposure relating to the above case is Rs. 45,198 million (Rs. 3,136 million being the 5% of the profit and Rs. 42,062 million interest component and penalty on delayed payment). No provision has been made in these consolidated financial statements as any contribution made by the holding company is a pass-through item under the PPA till June 30, 2024.

Following the amendments made by the Finance Act, 2006 to the Act, the holding company established the Hubco Workers' Participation Fund on August 03, 2007, to allocate the amount of annual profits stipulated by the Act for distribution amongst worker(s) eligible to receive such benefits under the Act and any amendments thereto from time to time.

The Honorable SCP vide its judgement dated November 10, 2016, set aside the amendments made to the Act by Finance Acts of 2006, 2007 and 2008 as ultra vires to the provisions of the Constitution of Pakistan (the Constitution). Accordingly, the provisions of the Act are to be read as if the amendments brought about by the said Finance Acts were never made and the defined term "Worker" reverted to its original definition of prior to Finance Act 2006. However, the Federal Board of Revenue (FBR) has filed a review petition with the Honorable SCP in respect of the said decision.

Pursuant to the 18th Amendment to the Constitution (the 18th Amendment), the Sindh Provincial Assembly passed the Sindh Companies Profits (Workers' Participation) Act, 2015 (the Sindh Act).

Accordingly, following the enactment of the 18th Amendment, and amongst other things, labour matters became a Provincial subject and pursuant to the Sindh Act and the SHC Order, the 1968 Act was fractured into provisional legislation and the Fund created by the holding company in 2007 became dysfunctional and was unable to carry out its objectives. Therefore, the holding company recommended to the Trustees of the Fund that the same be dissolved. The Fund was dissolved on June 27, 2019, and the 5% WPPF allocated by the holding company since July 1, 2015, and the interest earned on that allocated amount (Rs. 1,524 million allocated by the holding company and Rs. 258 million interests earned by the Fund on the allocated amount) was transferred back to the holding company. These funds are being utilized by the holding company till a final decision of the Honorable SCP.

On February 12, 2018, the Honorable SHC passed an Order (SHC Order) in respect of the Sindh Act, holding that for trans-provincial companies the location of the workers should be considered, and an allocation should be made accordingly. The SHC Order further devised a mechanism to compute contributions for trans-provincial companies. In July 2018, the Honorable SCP suspended the SHC Order. In July 2023, HUBCO has filed an intervenor application CMA No. 5937/2023 and impleaded as a party in C.A No. 951/2018 in OGDCL vs Federation of Pakistan & others before the Supreme Court of Pakistan. Where by the SCP is to decide on the applicability of WPPF laws on entities which are "trans-provincial". The Board has directed the management to proceed accordingly once the matter is finally decided by the SCP so that there is a clear way forward.

- 32.4 In December 2023, the holding company received two 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 SCNs 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 holding company challenged the impugned orders by the learned Single Bench of the Baluchistan High Court at Quetta before the Supreme Court of Pakistan (SCP) which has reverted the matter back to the High Court being interim orders by the BHC. The matter is pending before the BRA and the BHC. 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 legal advisors are of the opinion that the position of the holding company in respect of aforementioned matters is sound on technical basis and eventual outcome is expected to be in favour of the holding company.

- 32.5 (i) Under the IA with GOP and under the tax laws, the holding company's interest income was exempt from income tax. However, the tax authorities issued tax demands for the tax years 2006-2010 & 2011 amounting to Rs. 139 million and Rs. 3.2 million respectively on the grounds that interest income from term deposits is not covered under the exemption allowed under the tax law. The holding company's appeal before the Commissioner of Inland Revenue Appeals ("CIR-A") and the Appellate Tribunal Inland Revenue ("ATIR") were rejected. Against the order of the ATIR the holding company filed appeals before the Honorable Islamabad High Court ("IHC") which were also decided against the holding company. Against the decision of the IHC, the holding company filed appeals before the SCP which are pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 488 million and Rs. 8 million respectively.
- (ii) FBR also imposed 2% Workers Welfare Fund ("WWF") for tax years 2006-2010 and 2011 and issued a demands of Rs. 191 million and Rs. 108.5 million respectively. The holding company filed appeals before the CIR-A who while maintaining the orders of the FBR, reduced the amount of demand of Rs. 191 million to Rs. 8 million. The holding company filed appeals before the ATIR which were rejected. Against the order of the ATIR, the holding company filed appeals before the IHC which held that the orders on WWF were void. The IHC also held that WWF would be applicable in accordance with the law prior to the changes made through Finance Act 2006 and 2008. Against the decision of the IHC, the holding company filed appeals before the SCP which are pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 21 million and Rs. 255 million respectively. WWF is recoverable from the CPPA (G) being a pass through under the PPA till June 30, 2024.
- (iii) Under the IA with GOP and under the tax laws, the holding company's interest income was exempt from income tax. However, during March 2015, FBR issued tax demand for the tax year 2013 amounting to Rs. 4 million on the grounds that interest income from term deposits is not covered under the exemption allowed under the tax law. The holding company filed appeal before the CIR-A who deleted the tax demand. Against the order of CIR-A, FBR filed appeal before the ATIR which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 11 million.
- (iv) FBR also imposed 2% WWF for the tax year 2013 and issued a demand for Rs. 162 million. The holding company filed appeal before the CIR-A who remanded back the case to FBR for a fresh assessment. Against the order of CIR-A, FBR filed appeal before the ATIR which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 463 million. WWF is a pass through under the PPA and is recoverable from CPPA(G) till June 30, 2024.

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- (v) Under the IA with GOP and under the tax laws, the holding company's interest income was exempt from income tax. However, in June 2020, FBR issued a tax demand of Rs. 27 million relating to fiscal year ended June 2014 on the ground that interest income is not covered under the exemption allowed under the tax law. Consequently, FBR also imposed 2% WWF on this interest income. The CIR-A decided the issue of tax on interest income against the holding company while the issue of WWF has been remanded back to FBR for reassessment. After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which is pending adjudication. On application, the ATIR has granted stay till final decision. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 49 million.

The management, tax and legal advisors are of the opinion that the position of the holding company in respect of aforementioned matters is sound on technical basis and eventual outcome is expected 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.

- 32.6
- (i) In November 2012, FBR passed an order for the recovery of sales tax amounting to Rs. 8,519 million relating to fiscal years ended June 2008 to 2011. In FBR's view the holding company had claimed input tax in excess of what was allowed under the law. After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which decided the case in its favour. Against the judgment of the ATIR, FBR filed appeal with the IHC which is pending adjudication. The holding company's maximum exposure as at June 30, 2025, including the principal amount, penalty and default surcharge is approximately Rs. 30,327 million.
 - (ii) In March 2014, FBR passed an order for the recovery of sales tax amounting to Rs. 3,442 million relating to fiscal year ended June 2012. In FBR's view the holding company had claimed input tax in excess of what was allowed under the law. After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which also decided the case against the holding company. Against the decision of the ATIR, the holding company filed appeal with IHC which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 10,839 million.
 - (iii) In April 2014, FBR issued a SCN to recover sales tax amounting to Rs. 3,692 million relating to fiscal year ended June 2013. In FBR's view, the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which remanded back the case to FBR with a direction to finalise the matter once identical issue is decided by IHC / LHC in other cases. Against this decision, FBR has filed intra court appeal with IHC which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 3,692 million.
 - (iv) In January 2015, FBR issued a SCN to recover sales tax amounting to Rs. 4,130 million relating to fiscal year ended June 2014. In FBR's view, the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which remanded back the case to FBR with a direction to finalise the matter once identical issue is decided by IHC / LHC in other cases. Against this decision, FBR has filed intra court appeal with IHC which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 4,130 million.
 - (v) In October 2018, FBR issued a SCN to recover sales tax amounting to Rs. 3,483 million relating to fiscal year ended June 2016. This is based on FBR's view, that the holding company had claimed input tax in excess of what was allowed under the law, amongst others. The holding company filed a Writ Petition in the IHC which asked FBR not to pass a final order till next hearing. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 3,483 million.

- (vi) In November 2018, FBR issued a SCN to recover sales tax amounting to Rs. 2,665 million relating to fiscal year ended June 2017. This is based on FBR's view including the point that the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which asked FBR not to pass a final order till next hearing. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 2,665 million.
- (vii) In December 2018, FBR issued a SCN for the recovery of sales tax amounting to Rs. 412 million on the ground that the holding company has claimed excess input tax during different tax periods. In March 2019 on representation FBR reduced the amount and issued demand notice amounting to Rs. 31 million. The holding company filed appeal with the CIR-A who remanded back the case to FBR for reassessment. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 40 million.
- (viii) In March 2021, FBR issued a SCN for the recovery of sales tax amounting to Rs. 8,212 million relating to fiscal years ended June 2018 to 2019. However, a final demand of Rs. 5,717 million was issued in April 2021. In FBR's view, the holding company had claimed input tax in excess of what was allowed under the law. After dismissal of the holding company's appeal at the CIR-A level, the holding company has filed appeal with the ATIR which is pending adjudication. Meanwhile the ATIR has granted stay till decision of the main appeal. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 8,495 million.
- (ix) In April 2022, FBR issued SCNs for the recovery of sales tax amounting to Rs. 7,104 million relating to fiscal year ended July 2019 to June 2020. However, a final demand of Rs. 1,765 million was issued in January 2023. In FBR's view, the holding company has (i) not paid GST on Late Payment Interest (LPI) received under PPA and on turnover and (ii) claimed input tax on items which have not been used for supply of electrical energy.

After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which is pending adjudication. Meanwhile on application the ATIR has granted stay against recovery. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 2,266 million.
- (x) In November 2023, FBR issued SCN for the recovery of sales tax amounting to Rs. 1,888 million relating to fiscal year July 2020 to June 2021. However, a final demand of Rs. 1,387 million was issued in April 2024. In FBR's view, the holding company has (i) not paid GST on LPI received under PPA, (ii) claimed input tax on items which have not been used for supply of electrical energy and (iii) not apportioned input GST tax which may have been used both for taxable and non-taxable activities. Holding company filed appeal with the ATIR which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 1,542 million.
- (xi) In November 2023, FBR issued show cause notice for the recovery of sales tax amounting to Rs. 4,510 million relating to fiscal year ended June 2022. However, a final demand of Rs 3,403 million was issued in May 2024 which was received by the holding company in August 2024. In FBR's view, the holding company has (i) not paid GST on Late Payment Interest received under PPA, (ii) claimed input tax on items which has not been used for supply of electrical energy and (iii) not apportioned input GST tax which may have been used both for taxable and non-taxable activities. The holding company filed appeal with the ATIR which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 3,801 million.

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(xii) In September 2024, FBR issued Show Cause Notice for the recovery of sales tax amounting to Rs. 6,739 million on various issues relating to fiscal year ended June 2023. However, a final demand of Rs. 1,312 million was issued in May 2024 which was received by the holding company in November 2024. In FBR's view, the holding company has not paid GST on Late Payment Interest received under PPA. Company filed appeal with the ATIR which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 1,439 million.

(xiii) In November 2024, FBR issued Show Cause Notice for the recovery of sales tax amounting to Rs. 4 million relating to fiscal year ended June 2023 on the ground that the holding company failed to pay GST on disposal of fixed assets. However, a final demand of Rs. 4.3 million was issued in March 2025. In FBR's view, the holding company such a disposal constitutes business / taxable activity of the holding company and was chargeable sales tax. The holding company filed appeal with the CIR-A which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 4.3 million.

The matter stated above in respect of claiming excess input tax has already been decided by the Honorable Lahore High Court ("LHC") in favor of other IPPs in similar cases. Against this decision FBR has filed appeals in the SCP.

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 is expected 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.

- 32.7 (i) Under the IA with the GOP and under the tax law, the holding company is exempt from the levy of minimum tax. In June 2012, FBR issued demand notices amounting to Rs. 435 million relating to the tax years 2006 to 2008 & 2010 to 2011. After the holding company's appeals were rejected by the CIR-A, further appeals were filed with the ATIR, which has decided the appeals in favour of the holding company. Against ATIR orders, FBR has filed appeals in the IHC which are pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 1,227 million.
- (ii) Under the Operation & Maintenance Agreement ("O&MA") with the ex-operator for the Hub plant, the holding company used to pay fixed and variable fees to the operator. In January 2015, FBR passed an order amounting to Rs. 1,034 million relating to the tax years 2010 to 2013 for the recovery of Federal Excise Duty ("FED"). FBR viewed services under O&MA as a franchise agreement and not a service agreement and decided that payments made thereon were in nature of technical fees which were subject to FED. After dismissal of the holding company's appeal at the CIR-A & the ATIR, the holding company filed appeals with the IHC which decided the case in holding company's favor. The FBR filed appeal before the SCP which was dismissed in March 2025. FBR is expected to file review petition before the SCP. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 3,060 million.
- (iii) Under the O&MA with the ex-operator for the Hub plant, the holding company used to pay fixed and variable fees to the operator. In December 2017, FBR issued a SCN for the recovery of FED amounting to Rs. 911 million relating to the tax years 2014 to 2017. FBR viewed services under O&MA as a franchise agreement and not a service agreement and decided that payments made thereon were in nature of technical fees which were subject to FED. The holding company filed a Writ Petition in the IHC which disposed off the petition with direction to FBR to decide the proceedings initiated under the impugned show-cause notice after providing opportunity of hearing to the holding company. Consequent to IHC direction, the FBR issued SCN which has been complied by the holding company. The matter is pending with the FBR. The holding company's maximum exposure as at June 30, 2025 is approximately Rs. 911 million.

- (iv) Payment to PSO under the Fuel Supply Agreement (FSA) including payment of (LPI) are exempt from withholding of income tax under the provisions of the tax law. During 2014, FBR issued SCN to recover tax amounting of Rs. 1,677 million relating to the tax years 2012 to 2014 on the pretext that LPI paid to PSO under the FSA is a payment of “profit on debt”. The holding company filed Writ Petitions before the IHC which were decided against the holding company. The holding company filed further appeals with IHC which were rejected. The holding company’s maximum exposure as at June 30, 2025 is approximately Rs. 1,677 million.
- (v) In October 2019, FBR issued income tax demand of Rs. 266 million relating to fiscal year ended June 2016. This is based on FBR’s view that holding company’s receipt on account of Supplemental Charges (SC) are taxable and Capacity Purchase Price (CPP) is liable for minimum tax. FBR issued demand for WWF as well. The holding company filed appeal with the CIR-A who decided the issue of tax on SC & CPP against the holding company while the issue of WWF has been remanded back to FBR for reassessment. After dismissal of the holding company’s appeal at the CIR-A level, the holding company filed appeal with the ATIR which is pending adjudication. On application, the ATIR granted stay. The holding company’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 460 million.
- (vi) In December 2019, FBR issued a demand of Rs. 19 million relating to fiscal year ended June 2016. This is based on FBR’s view that the holding company had not deducted tax on payments to supplier. The holding company filed appeal with the CIR-A who decided the case against the holding company. After dismissal the holding company filed appeal with the ATIR, which has annulled the order passed by the FBR. The holding company’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 34 million.
- (vii) In October 2022, FBR issued an order amounting to Rs. 992 million (Order) relating to fiscal year ended June 2021 against the consolidated tax return filed by the Company along with its subsidiaries i.e. HPSL and HPHL in accordance with the tax law. This is based on FBR’s view that certain expenses claimed as deductible were not in accordance with the law. The Company filed an appeal with the CIR-A who decided the case partially in favour of the Company. Against decision of the CIR-A, the Company filed an appeal with ATIR, which is pending adjudication. Meanwhile, on Company’s application the FBR revised the Order from Rs 992 million to Rs 257 million The Company’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs 257 million on July 8, 2025.
- (viii) In June 2023, FBR issued an order amounting to Rs. 2.6 million (Order) relating to fiscal year ended June 2017 against the consolidated tax return filed by the holding company along with its subsidiaries namely HPSL and HPHL in accordance with the tax law. This is based on FBR’s view that the holding company and its subsidiaries had not deducted tax in accordance with the law. The holding company filed an appeal with the CIR-A who annulled the order. Against decision of the CIR-A, the FBR filed an appeal with ATIR, which is pending adjudication. The holding company’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 4 million.
- (ix) In September 2023 the Sindh Revenue Board (“SRB”) issued demand of Rs 1,935 million. This is based on SRB view that services provided by the Company to Thar Energy Limited (“TEL”) and Thal Nova Power Thar (Pvt.) Limited (“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 (CIR-A SRB) who decided the case against the Company. Against decision of the CIR-A SRB, the Company filed an appeal with Appellate Tribunal SRB (ATSRB), which is pending adjudication. On application the High Court of Sindh has granted stay against recovery. Company’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs 2,829 million. If the Company is required to pay this amount Rs 1,799 million would be recovered from TEL under the contract.

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- (x) In October 2023, FBR issued an order amounting to Rs. 888 million (Order) relating to fiscal year ended June 2022 against the consolidated tax return filed by the holding company alongwith its subsidiaries namely HPSL and HPHL in accordance with the tax law. 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 law. The holding company filed an appeal with the CIR-A who remanded back the case to FBR for reassessment of the case. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 1,111 million.
- (xi) 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 & 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 IHC which held that dividend income is not subject to super tax. Against IHC decision FBR filed appeal before the IHC which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 including penalty and default surcharge is approximately Rs 295 million.
- (xii) In October 2023, FBR issued a SCN amounting to Rs. 940 million on the grounds that for the tax year 2018 the holding company had not deducted income tax on certain payments. The holding company filed the response to the SCN, however, subsequent to the year end, in July 2024, FBR issued a tax demand of Rs. 364 million. The holding company has filed an appeal with ATIR, which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs 400 million.
- (xiii) In December 2024, FBR issued notice for payment of Rs. 76 million being advance tax for the quarter ended December 2024. FBR was informed that no advance tax was payable by the Group since it has already paid excess tax compared to its advance tax liability, and therefore, no further advance tax was payable. Nevertheless, FBR issued demand of Rs. 81 million. The holding company has filed an appeal with ATIR, which is pending adjudication. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 92 million.
- (xiv) In January 2025, FBR issued a Show Cause Notice for payment of super tax amounting to Rs. 2,337 million ("Notice") relating to fiscal year ended June 2024 against the consolidated tax return filed by the holding company alongwith its subsidiaries namely HPSL, HPHL & NEL in accordance with the tax law. FBR was of the view that holding company's dividend income amounting to Rs. 23,374 million was subject to super tax. The FBR was required to drop the proceedings as the issue of super tax on dividend income had already been decided in holding company's favor by the IHC which held that dividend income is not subject to super tax. Nevertheless, the FBR issued final demand of Rs. 2,337 million. On appeal the ATIR decided the matter in favor of the holding company. The holding company's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 2,602 million.

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.

- 32.8 Pursuant to the FSA dated August 03, 1992, between the holding company and Pakistan State Oil Company Limited (PSO), PSO supplied 128,000 Metric Tons (MT) of Residual Furnace Oil (RFO) as "First Fill" at no charge to the holding company in 1996. Since 1996, there had been correspondence exchanged amongst PSO, WAPDA and the holding company. PSO, in earlier days, sought payment for the cost of the First Fill RFO from WAPDA and the holding company. Both WAPDA and the holding company refused to make payment, citing that PSO's obligation under the FSA to supply First Fill RFO to the holding company was at no charge.

PSO continued to claim the cost of the First Fill RFO from WAPDA. In fact, such cost was recorded in PSO's audited accounts as a receivable due from WAPDA. The relevant disclosure in the PSO's audited accounts explicitly stated that a letter was signed between PSO and WAPDA on August 5, 1992 under which WAPDA undertook to pay PSO the cost of First Fill. Later through the intervention of President of Pakistan, an interest free loan of Rs. 802 million was sanctioned to WAPDA to enable it to settle PSO's claim for First Fill RFO. Following the payment to PSO, WAPDA started claiming reimbursement of the cost of the First Fill from the holding company. The holding company denied the same. The holding company's position was that it was under no obligation to pay to PSO under FSA.

In 2015, CPPA(G) through back-to-back arrangements with WAPDA succeeded all the rights and obligations of WAPDA under the existing Power Purchase Agreement. On November 1, 2017, CPPA(G) wrote to the holding company requesting a meeting to discuss the payment of First Fill amounting to Rs. 802 Million, along with LPI. On November 10, 2017, the holding company wrote to CPPA(G) that the holding company is under no obligation for any payment with regards to the First Fill and considered the matter closed. On June 13, 2018, CPPA(G) communicated CPPAG's decision to the holding company to adjust the amount of Rs. 802 million together with interest thereon aggregating to Rs. 11,525 million against the holding company's outstanding LPI invoices.

Due to the above-mentioned action of CPPA(G), the holding company was constrained to file a suit before the Honorable SHC (i.e., Suit No. 1411 of 2018) for a declaratory injunction against CPPA(G). The Honorable SHC via its Order dated July 9, 2018, directed that status quo be maintained with respect to the amount demanded by CPPA(G) from the holding company on account of the First Fill and restrained CPPA(G) from adjusting the First Fill claim amount.

In light of CPPA(G)'s continuous violation of the orders of the Honorable SHC and in order to protect its interests, the holding company filed Suit No. 95 of 2021, wherein the SHC was pleased to pass an ad-interim order restraining the CPPA(G) from deducting / adjusting the amount for the First Fill RFO supplied to the holding company by PSO i.e., amount of Rs. 802 million together with interest thereon aggregating to Rs. 11,525 million.

Pursuant to the Master Agreement dated February 11, 2021 between the holding company and CPPA(G), both parties filed an application dated March 03, 2021, wherein the Honorable SHC disposed off Suit No. 95 of 2021 and a consent order was obtained from the Honorable SHC which stated that CPPA(G) would participate in the arbitration proceedings as and when initiated by the holding company, pursuant to Section 15.4(d) of the PPA, to resolve the First Fill Dispute. 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 filed the Award to make it a Rule of Court. On October 17, 2024, the holding company entered into a NSA for the early termination of all agreements related to the Hub Plant, with CPPA(G). Following the signing of NSA, the parties have withdrawn their respective applications with respect to the Rule of Court proceedings and all applications have been dismissed as withdrawn via Court order dated January 25, 2025. The holding company has no further obligation to pay any amount in relation to the first fill.

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32.9 In connection with NEL:

32.9.1 Commitments in respect of capital and revenue expenditures amounted to Rs. 67 million (2024: Rs. 57 million).

32.9.2 Following notices / demand orders have been issued by tax authorities to the holding company in respect of combined operations of Hub and Narowal Plants. Pursuant to the demerger, the exposure related to Narowal Undertaking has been transferred to NEL.

Further, an agreement dated May 11, 2017, has been entered into between NEL and the holding company whereby NEL has undertaken to reimburse any cost which may directly be incurred by the holding company in respect of exposures transferred pursuant to the Scheme of Demerger.

32.9.3 The FBR imposed 2% Workers Welfare Fund ("WWF") for the tax year 2013 and issued a demand for Rs. 25 million. The holding company filed appeal before the CIR-A who remanded back the case to FBR for a fresh assessment. Against the order of CIR-A, the FBR filed appeal before the ATIR which is pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 73 million (2024: Rs. 68 million).

32.9.4 (i) Under the Implementation Agreement ("IA") with the GOP and under the tax law, the holding company is exempt from the levy of minimum tax. However, in June 2012, FBR issued demand notices amounting to Rs. 8 million relating to the tax years 2006 to 2008, 2010 and 2011. After the holding company's appeals were rejected by the CIR-A, further appeals were filed with the ATIR which decided the appeals in favour of the holding company. Against ATIR orders, FBR filed appeals in the Honorable IHC which are pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 20 million (2024: Rs. 19 million).

(ii) In October 2019, FBR issued an income tax demand of Rs. 75 million relating to fiscal year ended June 2016. This is based on FBR's view that holding company's income on account of SC and CPP are taxable. The FBR issued demand for WWF as well. The CIR-A decided the issue of tax on SC & CPP against the holding company while the issue of WWF has been remanded back to FBR for reassessment. After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which is pending adjudication. On application the ATIR granted stay. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 130 million (2024: Rs. 121 million).

(iii) In December 2019, FBR issued a demand of Rs. 27 million relating to fiscal year ended June 2016. This is based on FBR's view that the holding company had not deducted tax on payments to supplier. The holding company filed appeal with the CIR-A who decided the case against the holding company. After dismissal of the appeal at the CIR-A level, the holding company filed appeal with the ATIR, which has annulled the order passed by the FBR. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 45 million (2024: Rs. 42 million).

32.9.5 (i) In November 2012, FBR passed an order for the recovery of sales tax amounting to Rs. 172 million relating to fiscal years ended June 2008 to 2011. In FBR's view, the holding company had claimed input tax in excess of what was allowed under the law. After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which decided the case in its favour. Against the order of the ATIR, FBR filed appeal with the IHC which is still pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 612 million (2024: Rs. 584 million).

- (ii) In March 2014, FBR passed an order for the recovery of sales tax amounting to Rs. 559 million relating to fiscal year ended June 2012. In FBR's view the holding company had claimed input tax in excess of what was allowed under the law. After dismissal of the holding company's appeal at the CIR-A level, the holding company filed appeal with the ATIR which also decided the case against the holding company. Against the decision of the ATIR, the holding company filed appeal with IHC which is pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 1,761 million (2024: Rs. 1,673 million).
- (iii) In April 2014, FBR issued a SCN to recover sales tax amounting to Rs. 353 million relating to fiscal year ended June 2013. In FBR's view, the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which remanded back the case to FBR with a direction to finalise the matter once identical issue is decided by IHC / Honorable High Court of Lahore ("LHC") in other cases. Against this decision, FBR filed appeal with IHC which is pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 353 million (2024: Rs. 353 million).
- (iv) In January 2015, FBR issued a SCN to recover sales tax amounting to Rs. 878 million relating to fiscal year ended June 2014. In FBR's view that the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which remanded back the case to FBR with a direction to finalise the matter once identical issue is decided by IHC / LHC in other cases. Against this decision, FBR filed appeal with IHC which is pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 878 million (2024: Rs. 878 million).
- (v) In October 2018, FBR issued a SCN to recover sales tax amounting to Rs. 511 million relating to fiscal year ended June 2016. This is based on FBR's view that the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which asked FBR not to pass a final order till next hearing. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 511 million (2024: Rs. 511 million).
- (vi) In November 2018, FBR issued a SCN to recover sales tax amounting to Rs. 570 million relating to fiscal year ended June 2017. This is based on FBR's view that the holding company had claimed input tax in excess of what was allowed under the law. The holding company filed a Writ Petition in the IHC which asked FBR not to pass a final order till next hearing. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 570 million (2024: Rs. 570 million).

The matter stated above in respect of claiming excess input tax has already been decided by the Honorable LHC in favor of other IPPs in similar cases. Against such decision FBR has filed appeals in the SCP.

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 is expected 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.

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- 32.9.6 In January 2020, FBR issued a demand of Rs. 342 million relating to fiscal year ended June 2018. This is based on FBR's view that (a) NEL wrongly claimed the sales tax credit amounting to Rs. 299 million which was the amount transferred from the Holding Company to NEL under the demerger scheme duly approved by the Honorable High Court of Sindh ("SHC") and FBR and (b) NEL wrongly claimed Rs. 43 million input sales tax paid on goods used for production of electrical energy. NEL had filed an appeal with the CIR-A who, vide its order of May 2020, remanded back the case to FBR with the direction for reassessment of the case based on the instructions of FBR and the principles laid down by SCP. NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 565 million (2024: Rs. 418 million).
- 32.9.7 In February 2021, FBR issued a demand of Rs. 409 million relating to periods July 2017 to June 2019. This is based on FBR's view that the NEL has claimed input tax on goods and services including O&M services provided by HPSL, used for maintaining the capacity of the plant and not for production of electricity. NEL filed an appeal with the CIR-A which has been dismissed. NEL filed an appeal with the ATIR which is pending adjudication. On application, the ATIR granted stay against recovery. NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 622 million (2024: Rs. 477 million).
- 32.9.8 In December 2021, FBR issued a demand of Rs. 506 million relating to periods July 2019 to June 2020. FBR has apportioned input tax as well as has disallowed input tax on certain services including O&M services by HPSL on the ground that NEL has claimed full amount of input tax on goods and services which is not in accordance with the law. After dismissal of the NEL's appeal at the CIR-A level, NEL has filed an appeal with the ATIR which is pending adjudication. On NEL's stay application the ATIR has directed FBR to issue 15 days' notice prior to recovery so that NEL could reapply for stay with it. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 718 million (2024: Rs. 658 million).
- 32.9.9 In May 2022, FBR issued a demand of Rs. 690 million relating to the periods July 2020 to June 2021 ("Order 01"). FBR has apportioned input tax as well as has disallowed input tax on certain goods & services including O&M services by HPSL on the ground that NEL has claimed full amount of input tax on goods and services which is not in accordance with the law. NEL filed appeal with The CIR-A remanded back the case to FBR for fresh assessment. Based on NEL's revision application the FBR has revised the demand of Rs. 690 million to Rs. 20 million only which was paid in protest. On appeal, subsequent to year end, the ATIR confirmed the order of Rs. 20 million. NEL is in process of consultation with tax lawyer for further action, if any. After the payment, NEL has no exposure.
- 32.9.10 In May 2024, FBR issued a demand of Rs. 27 million relating to the periods July 2021 to June 2022 ("Order 01"). FBR has charged GST on certain accruals as well as has disallowed input tax on certain goods & services on the ground that NEL has claimed full amount of input tax on goods and services which is not in accordance with the law. NEL has filed appeal with the Tribunal which is pending adjudication. After the payment of demand under protest, NEL has no exposure.
- 32.9.11 In June 2024, FBR issued a demand of Rs. 199 million related to income tax for the year ended June 2018. This is based on FBR's view that NEL has not paid income tax on certain receipts under PPA including receipt of LPI from CPPA(G). NEL has filed appeal with the Tribunal which is pending adjudication. NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 223 million.

32.9.12 In July 2024, the FBR issued a demand of Rs. 342 million related to income tax for the year ended June 2019. This is based on FBR's view that NEL has not paid income tax on its certain receipts under Power Purchase Agreement ("PPA") including receipt of Late Payment Interest from CPPA. During the year, NEL has filed appeal with the Tribunal which is pending adjudication. The NEL's maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 415 million.

The management and their tax and legal advisors are of the opinion that the position of NEL in respect of aforementioned matters is sound on technical basis and eventual outcome ought to be in favour of NEL. Pending the resolution of the matters stated above, no provision has been made in these consolidated financial statements.

32.9.13 "NEL has received a letter from the Power Purchaser stating that NEL did not maintain the requisite fuel stock at Narowal plant as required under the PPA and has therefore incurred lower interest on working capital and therefore the Power Purchaser is earmarking an estimated amount of Rs. 857 million out of the LPI invoices owed by the Power Purchaser. NEL has contested the claim and is of the opinion that the position of NEL is sound on technical basis, hence no provision has been made in these consolidated financial statements in this respect. Further, no earmarking has been done on the invoices and the payments are being made by CPPA(G) in the normal course of business.

Moreover, as per clause (b) of section 5.14 of the PPA, NEL is required to maintain Furnace Oil (FO) inventory of thirty days for operating the Complex at full load. However, due to delays in payment of dues by CPPA(G), NEL was maintaining a lower level of FO inventory. Subsequent to the Amendment Agreement, NEL is now required to maintain fuel inventory for seven days. The PPA Amendment to that effect is yet to be signed.

32.9.14 The Government of Pakistan's Committee for Power Sector Audit issued its report dated March 16, 2020, wherein it was alleged that savings were made by various Independent Power Producers (IPPs) in tariff components which were not in line with their respective PPAs and the Government's power policies. NEL's stance is that all its billings to the Power Purchaser, CPPA(G), were strictly in accordance with the NEL's PPA and its tariff, which had been approved by NEPRA. In order to resolve this matter, discussions and meetings were held between the IPPs, CPPA(G) and the Government which culminated in signing of the Arbitration Submission Agreement (ASA) pursuant to which the matter was to be adjudicated by a three-member Arbitration Tribunal. Subsequent to the Amendment Agreement the GoP agreed to unconditionally and irrevocably withdraw and extinguish all claims under the ASA which now stands terminated and a joint communication is to be sent to the Tribunal established under the ASA for termination/relinquishment of the arbitration.

32.10 In connection with LEL:

- (i) LEL's commitments in respect of capital and revenue expenditure amounted to Rs. 3.25 million (2024: Rs. 0.86 million) and Rs. 0.56 million (2024: Rs. 1.2 million), respectively.
- (ii) The facility for obtaining letter of credit obtained from bank amount to Rs. 55 million (2024: Rs. 55 million). The facility is unutilised as at June 30, 2025 and June 30, 2024.
- (iii) Pursuant to the terms of AJK Implementation Agreement, LEL is exclusively liable (a) for all expenditure incurred in connection with environmental liabilities, (b) for fines or other penalties for non-compliance with the laws of AJK or other governmental actions, (c) for maintenance of major project insurances; and (d) to provide security personnel to ensure reasonable security and protection of the site and, in unusual circumstances, to request GOAJK for additional security forces against a payment of up to USD 0.10 million in any agreement year.

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- (iv) LEL entered into a land lease agreement with the Government of AJK ("GOAJK") for lease of 424 kanal of land for its power project. LEL is obligated to pay Rs. 0.17 million per annum as rental for such land starting from October 09, 2003 the date of the notification issued by the GOAJK, till the end of 30 years term.

LEL also entered into a land lease agreement dated July 30, 2009 with GOAJK for lease of 7,243 kanal and 13 marlas of land for its power project. As per the terms of the lease agreement, LEL paid advance rental for a term of 5 years after which land measuring approx. 3,074 kanals, required for permanent structures, had to be leased again for a further period of 20 years while the remaining land measuring approx. 4,169 kanals had to be reverted to the Government. The process for reverting the excess land and renewal of the lease agreement is in progress. Under AJK Implementation Agreement, GOAJK has agreed to extend the term of the land lease agreement to match the term of the PPA, at least three years prior to expiry of such term.

Pursuant to the land lease agreement, LEL is obligated to construct a cadet college, for welfare of the effected community, within 5 years after the commercial operations date of its power project and the required land is to be provided by the GOAJK one year before start of construction of the cadet college. LEL, however, has requested the GOAJK for the removal of this obligation under the land lease agreement and the matter is under discussion.

- (v) Certain legal cases in relation to project leasehold land rights / compensation amounting to Rs. 481.99 million were filed in the High Court of AJK. The cases were dismissed in the High Court on June 15, 2023 and LEL filed appeals in the Supreme Court of AJK. The final hearing took place on December 20, 2024, whereby the Supreme Court of AJK upheld the decisions of the Reference Court and High Court to enhance the land value from Rs. 10,000/- per kanal to Rs. 40,000 per kanal resulting in final compensation payable amounting to Rs. 7.42 million. However, LEL has not recognized provision in this respect due to non receipt of payment challans.
- (vi) As per the terms of the Power Purchase Agreement (PPA), LEL is liable to pay 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 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 NTDC are not in accordance with the provisions of the PPA. Accordingly, LEL issued an Invoice Dispute Notice to 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 its recommendations to the Parties on October 1, 2020, wherein the Expert concluded that NTDC has 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 has 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).

LEL nominated Mr. Jawad Akbar Sarwana as co-arbitrator for the three-member arbitral tribunal to be constituted for the arbitration proceedings. As no objections were raised by either party, on September 20, 2021, the ICC Secretary General confirmed Mr. Jawad Akbar Sarwana as co-arbitrator upon Claimant's nomination and Mr. Imran Aziz Khan, as co-arbitrator upon Respondent's nomination. On October 7, 2021, the ICC confirmed the nomination of both co-arbitrators and directly appointed Anne Secomb as President of the Arbitral Tribunal under Article 13(4)(9a). The arbitration proceeded according to the approved Terms of Reference (TORs).

A hearing took place in February 2023. One of the co-arbitrators, Mr. Jawad Akbar Sarwana has been elevated to a Judge of the Court of Appeals of the Province of Sindh and tendered his resignation as a co-arbitrator of the Arbitral Tribunal. A new co-arbitrator was nominated and was confirmed by the ICC Tribunal.

The arbitration proceedings completed during the year ended June 30, 2024 and the Tribunal issued an award on March 5, 2024 which was in favour of LEL. 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 delayed payment interest;
- iii. NTDC (acting through CPPA-G) to pay LEL (a) USD 181,812.66; (b) SGD 15,585.00 and (c) Rs. 15 million; in respect of the cost of the Arbitration proceedings; and
- iv. That the recommendations of the Expert as aforementioned be set aside.

Proceedings to enforce the Award in Pakistan through a "Rule of the Court" have already been filed in the Court of Senior Civil Judge, Islamabad and are pending adjudication.

- (vii) In January 2021, as a consequence of sales tax audit of LEL for the period January 2014 to December 2018, the Assistant Commissioner Inland Revenue ("ACIR") raised a tax demand of Rs. 162 million, along with penalty and default surcharge mainly on account of sales tax imposed for exempt period and apportioning the input tax for non-exempt period to revenue from capacity payments which are not subject to sales tax. LEL has filed appeal with the CIR-A, which is pending decision after hearing on the case got concluded.

The management and their tax and legal advisors are of the opinion that the position of LEL is sound on technical basis and eventual outcome ought to be in favour of LEL. Pending the resolution of the matters stated above, no provision has been made in these consolidated financial statements.

32.11 In connection with TEL:

32.11.1 Commitments in respect of capital expenditures amounted to Rs. 7,172 million (2024: Rs. 7,052 million).

32.11.2 Under the amended PPA, TEL's Required Commercial Operations Date (RCOD) was March 31, 2021. Considering the delay in COD, TEL requested CPPA(G) for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company Limited (SECMC). CPPA(G) granted extension in the RCOD of the Company till June 30, 2022, subject to payment of undisputed High Voltage Direct Current (HVDC) Transmission Line charges under certain conditions.

"CPPA(G) has raised invoices for payment of HVDC charges amounting to USD 23 million, TEL, however has challenged the determination of these invoices, and has sought certain clarifications from CPPA(G). Despite several requests, the CPPA(G) has not furnished the requested information so far, and consequently, TEL has disputed all the invoices raised by the CPPA(G). Accordingly, in view of TEL's management, supported by its legal counsel there is no exposure on TEL to make any payment on account of HVDC charges.

The delay in payment of obligation determined, if any, upon resolution of the dispute will carry mark-up at KIBOR plus 2% per annum.

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32.12 In connection with HPHL:

- (i) HPHL is a shareholder of CPHGC, one of the Independent Power Producer (“IPP”). Under the government policies and the law, the rate of tax on dividend paid by an IPP was fixed. However due to changes in law through the Finance Act 2019 & 2020 the FBR had opined that a new tax rate would be applicable. The HPHL has filed a petition praying the SHC to declare that the changes are illegal, unlawful, contrary to HPHL’s vested rights as well as discriminatory. However, on dismissal of HPHL’s petition by SHC through order dated March 03, 2025, HPHL has filed appeal before the Supreme Court of Pakistan (“SCP”), which is pending adjudication.

HPHL’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs 1,904 million. Pending the resolution of the matters stated above, HPHL has made provision to the extent of the principal amount in the previous year’s consolidated financial statements.

- (ii) Super tax was introduced through the Finance Act 2022 on certain income including dividend income. However, recently the IHC had held that dividend income is exempt from the levy of super tax. HPHL has filed a petition with the IHC which decided the case in favor of HPHL by holding that super tax is not payable on dividend income. However, FBR has filed a review petition with IHC in respect of the said decision. HPHL’s maximum exposure as at June 30, 2025 including the principal amount, penalty and default surcharge is approximately Rs. 1,988 million for tax year 2024 and Rs. 22 million for tax year 2025.

The management and their tax advisors are of the opinion that the position of the HPHL is sound on a technical basis and the eventual outcome ought to be in favour of HPHL. Pending the resolution of the matters stated above, HPHL has made provision on prudent basis in this respect.

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33 REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

The aggregate amounts incurred during the year for remuneration, including all benefits to the Chief Executives, Directors and Executives of the Group were as follows:

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Chief Executive			
Managerial remuneration		117,777	87,752
Bonus		39,810	36,344
Utilities		-	2,269
Other benefits		30,562	36,591
		188,149	162,956
Number of persons	33.3	3	2
Directors			
Fees	33.1	22,256	13,875
Number of persons		22	13
Executives			
Managerial remuneration		963,921	484,591
Bonus		115,538	120,867
House rent		227,720	218,067
Utilities		23,275	48,459
Retirement benefits		108,166	103,079
Other benefits		86,623	609,404
		1,525,243	1,584,467
Number of persons		216	192
Total			
Managerial remuneration / Fees		1,103,954	586,218
Bonus		155,348	157,211
House rent		227,720	218,067
Utilities		23,275	50,728
Retirement benefits		108,166	103,079
Other benefits		117,185	645,995
		1,735,648	1,761,298
Number of persons	33.3	241	207
33.1	This represents fee paid to Directors of the Group for attending meetings.		
33.2	The Chief Executives and certain Executives are provided with the use of Group maintained automobiles and certain other benefits.		
33.3	The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.		

34. SEGMENT INFORMATION

34.1 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 & TEL plant, operations and maintenance business and investments in CPHGC, TEL, TNPTL, SECMC, Prime, CPHO, MMCL and AMPL.

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.

	2025								
	Power Generation				Operations & Maintenance	Investments	Unallocated	Eliminations	Total
	Hub plant	Narowal plant	Laraib plant	TEL plant					
(Rupees in '000)									
Revenue from contracts with customers-net	13,209,513	6,075,686	8,774,303	55,291,990	4,212,206	-	-	(4,212,206)	83,351,492
Costs of revenue	(4,151,668)	(3,272,284)	(2,482,097)	(34,085,540)	(3,035,376)	-	-	3,499,361	(43,527,604)
GROSS PROFIT	9,057,845	2,803,402	6,292,206	21,206,450	1,176,830	-	-	(712,845)	39,823,888
General and administration expenses	(548,332)	(324,276)	(441,423)	(223,747)	(79,365)	(346,662)	-	3,079	(1,960,726)
Other income	536,000	9,880	254,255	1,697,766	86,719	843,806	14,913,572	(14,320,819)	4,021,179
Other operating expenses	(807,333)	(2,555,472)	(2,410)	(498,106)	-	-	-	14,691	(3,848,630)
PROFIT FROM OPERATIONS	8,238,180	(66,466)	6,102,628	22,182,363	1,184,184	497,144	14,913,572	(15,015,894)	38,035,711
Finance costs	(2,790,348)	(32,202)	(110,037)	(10,970,457)	(472)	(1,559,410)	-	232,173	(15,230,753)
Share of profit from associates / joint venture	-	-	-	-	-	41,261,324	-	48,868	41,310,192
PROFIT BEFORE TAXATION	5,447,832	(98,668)	5,992,591	11,211,906	1,183,712	40,199,058	14,913,572	(14,734,853)	64,115,150
Taxation	(209,040)	(2,865)	(80,127)	(584,626)	(464,124)	(10,541,386)	(620,398)	-	(12,502,566)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	5,238,792	(101,533)	5,912,464	10,627,280	719,588	29,657,672	14,293,174	(14,734,853)	51,612,584
Loss from discontinued operations	-	-	-	-	-	161,977	-	-	161,977
PROFIT FOR THE YEAR	5,238,792	(101,533)	5,912,464	10,627,280	719,588	29,819,649	14,293,174	(14,734,853)	51,774,561
PROFIT FOR THE YEAR ALLOCATED TO NCI	-	-	1,481,072	4,250,912	-	(88,579)	-	-	5,643,405
Assets	26,726,828	18,553,852	25,348,224	152,974,442	2,194,459	200,209,051	59,565,522	(70,850,191)	414,722,187
Liabilities	15,280,631	2,678,190	1,051,654	107,832,992	2,160,801	48,817,338	-	(7,021,323)	170,800,282
Non-controlling interests	-	-	6,086,332	18,063,284	-	64,208	-	-	24,213,824
Depreciation and amortisation	539,588	672,387	1,206,857	3,175,172	18,856	19,327	-	(121,736)	5,510,451
Capital expenditure	100,218	1,179	40,674	427,729	37,119	1,755,228	-	2,030	2,364,177
Cash (utilized) / generated from;									
- Operating activities	38,384,310	10,447,008	6,338,621	18,937,544	1,787,782	1,225,476	-	1,640,092	78,760,833
- investing activities	14,991,318	(1,179)	(40,674)	(427,729)	80,801	(4,278,688)	-	(14,169,759)	(3,845,910)
- financing activities	(36,791,203)	(10,148,440)	(11,863,496)	(8,883,513)	(1,220,000)	3,749,057	-	9,625,085	(55,532,510)

	2024								
	Power Generation								
	Hub plant	Narowal plant	Laraiab plant	Thar plant	Operations & Maintenance	Investments	Unallocated	Eliminations	Total
	----- (Rupees in '000) -----								
Revenue from contracts with customers-net	41,534,404	15,342,255	11,773,401	61,875,473	4,366,562	-	-	(4,366,562)	130,525,533
Costs of revenue	(11,100,728)	(10,128,820)	(2,108,832)	(39,141,682)	(2,590,661)	-	-	2,891,146	(62,179,577)
GROSS PROFIT	30,433,676	5,213,435	9,664,569	22,733,791	1,775,901	-	-	(1,475,416)	68,345,956
General and administration expenses	(1,322,712)	(142,635)	(184,443)	(220,315)	(149,364)	(167,489)	-	4,301	(2,161,796)
Other income	523,927	21,692	278,931	790,199	57,831	392,749	16,094,659	(14,855,187)	3,304,801
Insurance claim against alternator damage & consequent loss of revenue	-	320,319	-	-	-	-	-	-	320,319
Other operating expenses	(129,186)	583	(195,966)	(2,127,613)	-	-	-	-	(2,452,182)
PROFIT FROM OPERATIONS	29,505,705	5,413,394	9,563,091	21,176,062	1,684,368	225,260	16,094,659	(16,326,302)	67,357,098
Finance costs	(4,681,288)	(428,012)	(520,481)	(13,309,682)	(447)	(8,176,357)	-	372,680	(26,743,587)
Share of profit from associates / joint venture	-	-	-	-	-	49,312,014	-	48,868	49,360,882
PROFIT BEFORE TAXATION	24,824,417	4,985,382	9,042,610	7,866,380	1,683,921	41,360,917	16,094,659	(15,904,754)	89,974,406
Taxation	(170,701)	(5,910)	(72,057)	(286,366)	(652,987)	(12,608,967)	(859,162)	-	(14,656,150)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	24,653,716	4,979,472	8,970,553	7,580,014	1,030,934	28,772,824	15,235,497	(15,904,754)	75,318,256
Loss from discontinued operations	-	-	-	-	(20,874)	-	-	-	(20,874)
PROFIT FOR THE YEAR	24,653,716	4,979,472	8,970,553	7,580,014	1,030,934	28,751,950	15,235,497	(15,904,754)	75,297,382
Profit for the YEAR ALLOCATED TO NCI	-	-	2,247,124	3,032,005	-	-	-	-	-
Assets	92,967,325	31,581,371	31,211,312	151,727,568	1,767,877	158,985,369	59,708,919	(75,145,322)	452,804,419
Liabilities	64,397,481	5,455,736	8,097,264	117,207,390	1,236,337	53,494,365	4,078,106	(11,134,738)	242,831,941
Non-controlling interests	-	-	5,790,071	13,813,544	-	-	-	-	19,603,615
Depreciation and amortisation	1,898,211	1,028,445	1,145,917	2,875,106	16,329	11,018	-	(146,724)	6,828,302
Capital expenditure	38,289	17,527	41,965	1,355,230	18,345	666,417	-	(295,027)	1,842,746
Cash (utilized) / generated from;									
- Operating activities	14,739,597	6,983,275	10,298,204	15,026,084	1,343,839	16,162,511	-	(22,390,788)	42,162,722
- investing activities	18,486,748	(14,827)	(41,965)	(1,342,130)	(412,265)	(652,417)	-	2,194,698	18,217,842
- financing activities	(31,602,616)	(7,833,899)	(7,520,891)	(827,935)	(675,000)	(15,247,133)	-	23,812,311	(39,895,163)

34.2

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

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FOR THE YEAR ENDED JUNE 30, 2025

35 RELATED PARTY TRANSACTIONS

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

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
Associates			
Services rendered to CPHGC		133,273	132,628
Amount received against services rendered to TNPTL		167,222	2,227,993
Services rendered to TNPTL		2,662,252	2,500,589
Reimbursable expenses incurred by TNPTL		67,664	63,712
Reimbursable expenses incurred on behalf of TNPTL		219,477	324,517
Receipts against security		-	289,039
Receipt against reimbursement of expenses from TNPTL		181,302	184,251
Payment against reimbursement of expenses to TNPTL		-	193,173
Services rendered to CPHO		225,248	992,967
Reimbursable expenses incurred on behalf of Prime		5,114	3,919
Receipts against reimbursement of expenses from Prime		3,919	-
Reimbursable expenses incurred on behalf of MMCPL		73,828	-
Receipts against reimbursement of expenses from MMCPL		38,741	-
Interest income on loan to MMCPL		76,891	-
Interest income received on loan to MMCPL		44,572	-
Remuneration to key management personnel			
Salaries, benefits and other allowances		258,293	219,644
Retirement benefits		13,915	12,193
		272,208	231,837
Directors' fee	33.1	22,256	13,875
Contribution to staff retirement benefit plans		260,471	267,141
Dividend paid to NCI - Coate & Co. Private Limited		2,078,415	1,035,241

35.1 Transactions with Key Management Personnel (KMP) are carried out under the terms of their employment. KMP are also provided with the use of Company maintained automobiles and certain other benefits.

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

36 RELATED PARTIES AND ASSOCIATED COMPANIES / UNDERTAKINGS

Following are the details of related parties, associated companies / undertakings and joint ventures with whom the Group had entered into transactions or had arrangements in place during the year, in accordance with the Companies Act, 2017:

Particulars	Relationship	% equity
China Power Hub Generation Company (Private) Limited	Associate	47.5%
Mega Motor Company (Private) Limited	Associate	50%
Thalnova Power Thar (Private) Limited	Joint Venture	38.3%
Prime International Oil and Gas Company Limited	Joint Venture	50%
China Power Hub Operating Company (Private) Limited	Joint Venture	49%
Sindh Engro Coal Mining Company Limited	Common Directorship	8%
Askari Bank Limited	Common Directorship	-
CMEC TEL Power Investments Limited	Major Shareholder - TEL	10%
Fauji Fertilizer Company Limited	Common Directorship	-
Thar Foundation	Common directorship	-
Coate & Co (Pvt) Ltd	Major Shareholder - LEL	23.8%
TPL Trakker Limited	Interested Persons	-
Pakistan State Oil	Interested Persons	-
Allied Bank Limited	Interested Persons	-
Bank Alfalah Limited	Interested Persons	-
Bank Al-Habib Limited	Interested Persons	-
United Bank Limited	Interested Persons	-
Faysal Bank limited	Interested Persons	-
Habib Bank Limited	Interested Persons	-
Habib Metropolitan Bank Limited	Interested Persons	-
Meezan Bank Limited	Interested Persons	-
Mr. Habibullah Khan	Chairman/Director	-
Mr. Kamran Kamal	Chief Executive / Director	-
Ms. Faiza Kapadia Raffay	Key Management Personnel	-
Mr. Aamer Abdul Razzaq	Key Management Personnel	-
Mr. Muhammad Saqib	Key Management Personnel	-
Mr. Ahmad Muazzam	Director of group company	-
Mr. Aly Khan	Director	-
Ms. Samina Mumtaz Zehri	Director	-
Mr. Fayyaz Ahmed Bhatti	Director of group company	-
Mr. Manzoor Ahmed	Director	-
Mr. Abdul Wahab Abbasi	Director of group company	-
Mr. Saad Iqbal	Director	-
Mr. Shafiuddin Ghani Khan	Director	-
Ms. Aleeya Khan	Director	-

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FOR THE YEAR ENDED JUNE 30, 2025

Particulars	Relationship	% equity
Mr. Syed Bakhtiyar Kazmi	Director	-
Mr. Zhao Wenke	Director of group company	-
Mr. Jehangir Paracha	Ex-Director of group company	-
Mr. Syed Atif Ali	Director of group company	-
Mr. Amjad Ali Raja	Director of group company	-
Hub Power Services Limited - Gratuity Fund	Retirement benefit fund	-
Hub Power Services Limited - Pension Fund	Retirement benefit fund	-
Hub Power Services Limited - Employees' Provident Fund	Retirement benefit fund	-
Hub Power Company Limited - Employees' Provident Fund	Retirement benefit fund	-
The Hub Power Company Limited - Staff Gratuity Fund	Retirement benefit fund	-
Laraib Energy Limited - Employees' Provident Fund	Retirement benefit fund	-
Laraib Energy Limited - Gratuity Fund	Retirement benefit fund	-
Thar Energy Limited - Employees' Provident Fund	Retirement benefit fund	-
Thar Energy Limited - Employees' Gratuity Fund	Retirement benefit fund	-

37. PROVIDENT FUND TRUSTS

Contribution to defined contribution plan of the holding company, TEL and HPSL, of members who consented, was transferred to Meezan Tahaffuz Pension Fund (MTPF) / UBL Fund Managers, the voluntary pension system (VPS) with the consent of all members of provident funds, as allowed under clause (aa) of sub-rule (1) of Rule 103 of the Income Tax Rules, 2002.

38. PLANT CAPACITY AND PRODUCTION

	2025	2024
HUB PLANT		
Theoretical Maximum Output	2,650 GWh	10,540 GWh
Total Output	15 GWh	0 GWh
Load Factor	0.57%	0.00%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,478 GWh (2024: 9,757 GWh). Output produced by the plant was dependent on the load demanded by CPPA(G) and the plant availability. PPA of Hub plant was terminated with effect from October 1, 2024. Therefore, theoretical maximum output was taken till September 30, 2024.

	2025	2024
NAROWAL PLANT		
Theoretical Maximum Output	1,873 GWh	1,873 GWh
Total Output	38 GWh	201 GWh
Load Factor	2%	11%

Practical maximum output for the power plant, taking into account all the scheduled outages is 1,850 GWh (2024: 1,853 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

	2025	2024
LARAIB PLANT		
Theoretical Maximum Output	736 GWh	736 GWh
Total Output	354 GWh	416 GWh
Load Factor	48%	57%

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

	2025	2024
THAR PLANT		
Theoretical Maximum Output	2,634 GWh	2,642 GWh
Total Output	1,594 GWh	1,940 GWh
Load Factor	61%	73%

Practical maximum output for the power plant taking into account all the scheduled outages is 2,494 GWh (2024: 2,474 GWh). Output produced by the plant is dependent on the load demanded by CPPA(G) and the plant availability.

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FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
39. WORKING CAPITAL CHANGES			
Decrease / (increase) in current assets			
Stores, spares and consumables		(166,994)	(666,829)
Stock-in-trade		880,584	(990,878)
Trade debts		68,218,542	(12,988,668)
Contract asset		8,505,150	6,311,904
Loans and advances		31,482	(108,223)
Deposits, prepayments and other receivables		193,074	(3,353,929)
		<u>77,661,838</u>	<u>(11,796,623)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(33,856,893)	8,537,097
Advance from customers		4,198,361	-
Refund liability		4,786,690	-
		<u>52,789,996</u>	<u>(3,259,526)</u>
40. CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	31,247,676	29,105,160
Short term borrowings		(1,139,471)	(18,365,984)
		<u>30,108,205</u>	<u>10,739,176</u>

41. DISCONTINUED OPERATIONS

As stated in note 16.2, HPHL entered into a shareholders agreement dated December 03, 2024, with Mega Conglomerate (Private) Limited (MCPL) and Mega Motor Company (Private) Limited (MMCPL) whereby HPHL offered 50% equity interest in MMCPL to MCPL. On February 28, 2025 HPHL diluted its equity interest by 50% in MMCPL. As a result, MMCPL is no longer subsidiary company. Accordingly, results of operations of MMCPL for the period from July 01, 2024 to February 28, 2025 and prior year have been presented as discontinued operations.

2025

(Rs. '000s)

Financial position as at February 28, 2025

Assets attributable to discontinued operations

Property and Equipment	2,253,761
Intangibles	4,669
Deposits	42,822
Advances	66,220
Inventory	1,724,674
Taxes recoverable	132,008
Prepayments and other receivables	284,717
Cash and bank balances	1,078,058
	<u>5,586,929</u>

Liabilities associated with discontinued operations

Trade and other payables	311,905
Advances from customers	4,198,361
	<u>4,510,266</u>

Net assets attributable to discontinued operations as at February 28, 2025

1,076,663

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	For the period from July 01, 2024 to February 28, 2025 (Rs. '000s)	For the period from May 06, 2024 to June 30, 2024 (Rs. '000s)
Loss from discontinued operations		
Revenue from contracts with customers - net	195,703	-
Cost of sales	(153,636)	-
Gross profit	42,067	-
General and administration expenses	(241,751)	(20,861)
Distribution and marketing expenses	(643,509)	-
	(843,193)	(20,861)
Gain due recognition of retained interest in subsidiary (now associate) at fair value	985,829	-
Interest income	28,956	-
Finance cost	(1,218)	(13)
Loss before taxation	170,374	(20,874)
Taxation	(8,397)	-
Profit / (loss) from discontinued operations	161,977	(20,874)
Cash flows attributable to discontinued operations		
Net cash generated from operating activities	1,364,697	29,820
Net cash used in investing activities	(1,701,718)	(625,272)
Net cash generated from financing activities	(34,041)	-
	(371,062)	(595,452)

	Note	2025 (Rs. '000s)	2024 (Rs. '000s)
42. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY			
42.1 Basic			
Profit for the year			
- continuing operations		45,969,179	70,039,127
- discontinued operations		161,977	(20,874)
		<u>46,131,156</u>	<u>70,018,253</u>
Weighted average number of ordinary shares outstanding during the year	25	<u>1,297,154,387</u>	<u>1,297,154,387</u>
Basic earnings per share (Rupees)			
- Continuing operations		35.44	53.98
- Discontinued operations		0.12	(0.00)
		<u>35.56</u>	<u>53.98</u>

Basic earnings per share is calculated by dividing the profit after tax attributable to ordinary shareholders of the holding company by the weighted average number of ordinary shares outstanding during the year.

42.2 There is no dilutive effect on the earnings per share of the holding company.

43. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a 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. The overall risk management of the Group is carried out under policies approved by the Board of Directors. Such policies entail identifying, evaluating and addressing financial risks of the Group.

The Group's overall risk management procedures aim to minimize the potential adverse effects of these risks on the Group's performance are as follows:

a) Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of holdings of financial instruments. The Group is not exposed to equity price risk. The exposure to other two risks and their management is explained below:

(i) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Financial assets of the Group include Rs. 966 million (2024: Rs. 2,359 million) in foreign currencies which are subject to currency risk exposure and financial liabilities of the Group include Rs. 66,301 million (2024: Rs. 79,157 million) in foreign currencies which are subject to currency risk exposure. TEL is covered under the PPA to recover the forex loss on loans under the tariff. Accordingly, TEL is not subject to foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The Group manages its currency risk by close monitoring of currency markets and believes that the foreign exchange risk exposure on financial assets and liabilities is immaterial.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow and fair value interest rate risks

The Group's exposure to the risk of changes in interest rates relates primarily to the following:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Fixed rate instruments at carrying amount:		
Financial assets		
Bank balances	30,684,035	28,921,209
Financial liabilities		
Lease liabilities	163,274	1,067,847
Variable rate instruments at carrying amount:		
Financial assets		
Trade debts	24,050,981	60,783,607
Financial liabilities		
Long term loans	78,422,356	105,108,872
Trade and other payables	12,150,204	30,710,809
Short term borrowings	5,686,292	29,365,984
Lease liabilities	26,766	-
	96,285,618	165,185,665

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest / mark-up would not affect consolidated statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group has obtained short term running finances to meet its short term funding requirements. The Group manages the finance cost of short term borrowings from its own sources which exposes it to the risk of change in KIBOR. The Group receives interest on delayed payments from the power purchaser, short term investments and bank balances and pays interest on short term running finances at variable rates. As at June 30, 2025, if interest rate on borrowings were 1% higher / lower with all other variables held constant, the profit for the year would have been lower / higher by Rs. 722.3 million (2024: Rs. 1,044 million).

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's exposure to credit risk is not significant for reasons provided below.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Deposits and others	33,426	23,444
Trade debts	28,966,134	99,740,148
Contract asset	-	8,505,150
Loans and other receivables	12,819,988	11,863,825
Bank balances	31,245,776	29,103,210
Total	73,065,324	149,235,777

Trade debts are recoverable from CPPA(G) / NTDC under the PPAs and are secured by guarantees from GOP under the IAs. Further, the significant amounts of other receivables are also recoverable from CPPA(G) / NTDC and are secured under IAs.

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Credit risk on bank balances is limited as they are maintained with foreign and local banks having good credit ratings assigned by local and international credit rating agencies.

Banks / Financial Institutions	Ratings		
	Rating Agency	Short term	Long term
Conventional			
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank of Punjab	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
Habib Bank Limited	JCR-VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Pak Brunei Investment Company Limited	JCR-VIS	A-1+	AA+
Samba Bank Limited	PACRA	A-1	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Pakistan Kuwait Investment Company (Pvt.) Limited	PACRA	A1+	AAA
Saudi Pak Industrial And Agricultural Investment Company Limited	JCR-VIS	A-1+	AAA
Industrial Commercial Bank of China	Fitch	F1+	A
Standard Chartered Bank (Hong Kong) Limited	Moody's	P1	A1
China Development Bank	Fitch	F-1+	A
Shariah Compliant			
Meezan Bank Limited	JCR-VIS	A-1+	AAA
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A1	AA-
Faysal Bank Limited	PACRA	A1+	AA+
MCB Islamic Bank Limited	PACRA	A1	A+

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintains running finance facilities (refer note 31) to meet the short term funding requirements due to delay in payments by CPPA(G) / NTDC. The delay in payments by CPPA(G) is mainly offset by borrowing from running finance facilities.

The Group is exposed to liquidity risk because of the following:

- (i) delay in payments from Power Purchaser [CPPA(G) / NTDC];
 - (ii) the cashflows from NEL operations may not be sufficient to meet the funding requirements for loans (refer note 31.2 and 31.3); and
 - (iii) repayment / non-availability of short term borrowings (refer note 31).
- The group manages liquidity risk for its own source and other alternative needs.

Following are the contractual maturities of financial liabilities, including estimated interest payments, if any:

	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years	Between 5 to 10 years	Total
----- (Rs. '000s) -----					
2024-25					
Long term loans	5,792,971	3,629,350	80,481,701	24,408,720	114,312,742
Long term lease liabilities	23,956	23,956	163,476	-	211,388
Trade and other payables	26,028,590	-	-	-	26,028,590
Unclaimed dividend	303,805	-	-	-	303,805
Unpaid dividend	186,218	-	-	-	186,218
Short term borrowings	5,718,313	-	-	-	5,718,313
Total	38,053,853	3,653,306	80,645,177	24,408,720	146,761,056

	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years	Between 5 to 10 years	Total
----- (Rs. '000s) -----					
2023-24					
Long term loans	17,472,045	8,910,698	47,622,227	45,898,429	119,903,398
Long term lease liabilities	948,068	20,676	200,336	-	1,169,080
Trade and other payables	56,545,091	-	-	-	56,545,091
Unclaimed dividend	231,202	-	-	-	231,202
Unpaid dividend	1,218,757	-	-	-	1,218,757
Short term borrowings	30,537,552	-	-	-	30,537,552
Total	106,952,715	8,931,374	47,822,563	45,898,429	209,605,081

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

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Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying amount of the financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

Fair value of financial instruments

The fair value of the financial assets and liabilities is the amount at which the assets could be sold or the liability transferred in a current transaction between market participants at the reporting date, other than in a forced or liquidation sale. Investment in subsidiary companies, associates and joint venture are carried at cost.

The fair value of investment in SECMC (unquoted shares) has been estimated using a valuation model. The valuation requires management to make certain assumptions about the model inputs, including forecasted cashflows, the discount rate and market risk. The probabilities of the various estimates within the range are assessed and are used in management's estimate in order to determine the fair value of investment in SECMC. The fair value as at June 30, 2025 has been determined at Rs. 5,241 million (2024: Rs. 4,428 million) resulting in unrealized gain of Rs. 813 million (2024: unrealized gain of Rs. 1,169 million). The discount rate, recovery rate and currency devaluation used in valuation model is 19.09%, 19% and 5% respectively. As at June 30, 2025, if discount rate, recovery rate and currency devaluation had weakened / strengthen by 1% with all other variable held constant, other comprehensive income would have been lower / higher by Rs. 404 million, Rs. 236 million and Rs. 313 million respectively.

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, (prices) or indirectly (i.e. derived from)
- 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) -----			
June 2025				
Assets				
Investment in SECMC				
- At fair value through other income	-	-	5,240,837	5,240,837
June 2024				
Assets				
Investment in SECMC				
- At fair value through 'other comprehensive income	-	-	4,427,817	4,427,817

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, as required under various project agreements, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances.

The gearing ratios of the Group as at June 30, 2025 and 2024 are as follows:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Total borrowings	84,108,648	134,474,856
Equity	243,921,905	209,972,478
Total capital	328,030,553	344,447,334
Gearing ratio	0.26 : 1	0.39 : 1

44. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	2025	2024
	(Rs. '000s)	(Rs. '000s)
Financial assets - at FVOCI		
Investment in SECMC	5,240,837	4,427,817
Financial assets - at amortised cost		
Deposits	33,426	23,444
Trade debts	28,966,134	99,740,148
Loans and other receivables	12,822,690	11,866,326
Cash and bank balances	31,247,676	29,105,160
Total	73,069,926	140,735,078
Financial Liabilities - at amortised cost		
Long term loans	78,422,356	105,108,872
Liabilities against assets subject to finance lease	190,040	1,067,847
Trade and other payables	26,028,590	56,545,091
Unclaimed dividend	303,805	231,202
Unpaid dividend	186,218	1,218,757
Interest / mark-up accrued	3,764,321	6,374,703
Short term borrowings	5,686,292	29,365,984
Total	114,581,622	199,912,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

45. INITIAL APPLICATION / WAIVER FROM APPLICATION OF STANDARDS AND INTERPRETATIONS

45.1 Amendments to existing accounting and reporting standards that became effective during the year

There are certain amendments to accounting and reporting standards that are applicable for current year but do not have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements, except as follows:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current:

Amendments to IAS 1 'Presentation of Financial Statements' (IAS 1) was introduced addressing the classification of non-current liabilities subject to covenants. These amendments clarify that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendments also mandate specific disclosures if a liability is classified as non-current and is subject to covenants that must be complied within twelve months of the reporting date. The adoption of these amendments did not alter the classification of the Group's non-current liabilities. However, new disclosures have been added to these consolidated financial statements in accordance with the aforementioned requirements.

45.2 Standards, amendments and interpretations to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on July 1, 2024. The standards and amendments are not expected to have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements, except for;

IFRS 18 - Presentation and Disclosure in Financial Statements (effective January 1, 2027):

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss, is being introduced. However, this standard is yet to be adopted by the SECP. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2027):

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the Solely Payments of Principal and Interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would need to be reconsidered.

45.3 Waiver from application of standards and interpretations

IFRS - 16 "Leases"

The SECP through S.R.O. 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 to all companies that have executed their Power Purchase Agreement (PPA) before January 1, 2019. The holding company, NEL's and TEL's lease arrangement with CPPA(G) for the project sites i.e. Complex are also covered under respective PPAs and consequently are exempt under the aforesaid S.R.O. Under IFRS-16 'Leases', the consideration required to be made by lessees for the right to use the asset would have been accounted for as finance lease.

IFRS - 9 "Financial instruments"

"The SECP through S.R.O. 1784 (I)/2024 dated November 04, 2024, extended the exemption on application of Expected Credit Losses (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, 2025. Accordingly, the holding company has applied the requirements of IAS - 39 in these consolidated financial statements with respect to calculation of impairment loss in respect of such financial assets.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) issued the 'Guidelines on Application of IFRS 9 Expected Credit Loss Model on Circular Debt' (the Guidance) dated March 21, 2025. This Guidance requires provisions for ECL on financial assets due or ultimately due from the Government of Pakistan, pertaining to circular debt, from annual reporting period starting on or after July 01, 2025. If this Guidance had been effective from June 30, 2025, the resultant impact on these consolidated financial statements would amount to Rs. 1,313 million."

Embedded derivatives

SECP, through its S.R.O. 986(I)/2019 dated September 2, 2019, exempted the power companies from application of IFRS-9 'Financial Instruments' to the extent of recognition of embedded derivatives and IAS-21 'The Effects of Changes in Foreign Exchange Rates' to the extent of recognising exchange differences in profit or loss.

IFRIC - 12 "Service Concession Arrangements"

The Group has not applied IFRIC Interpretation 12 'Service Concession Arrangements' (IFRIC 12) in preparation of these consolidated financial statements in respect of its segment i.e. LEL. The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 24/(I)/2012 dated January 16, 2012 has granted waiver in respect of application of IFRIC 12 to all companies including Power Sector Companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Under IFRIC 12, the infrastructure is not recognised as property, plant and equipment rather a financial asset is recognised to the extent the Group has an unconditional contractual right to receive cash irrespective of the usage of infrastructure. The revenue and costs relating to construction of infrastructure or upgrade services and operation services are recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. Any contractual obligation to maintain or restore infrastructure, except for upgrade services, is recognised in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets'.

46. SHARIAH COMPLIANCE DISCLOSURE

	2025			2024		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
	-----	(Rs. '000s)	-----	-----	(Rs. '000s)	-----
Revenue from contract with customer - net						
Revenue	6,980,847	76,370,645	83,351,492	14,649,805	45,875,788	130,525,533
Cost of revenue						
Late payment interest to fuel suppliers and EPC contractor	2,539,422	-	2,539,422	8,468,227	-	8,468,227
Other income						
Interest income	2,999,728	44,245	3,043,973	1,365,424	42,463	1,407,887
Income from other services	-	853,805	853,805	-	1,612,152	1,612,152
Dividend Income	-	-	-	-	232,794	232,794
Gain on disposal of assets	-	119,249	119,249	-	32,580	32,580
Revenue from sale of CERs	-	-	-	-	17,649	17,649
Others	-	4,152	4,152	-	1,739	1,739
Other operating expenses						
Liquidated damages under PPA and interest thereon	498,106	-	498,106	2,155,904	-	2,155,904
Insurance claim against alternator damage and consequent loss of revenue	-	-	-	320,319	-	320,319
Finance cost						
Long term loans	10,741,871	676,113	11,417,984	15,894,261	2,600,915	18,495,176
Long term lease liabilities	22,133	15,891	38,024	137,270	-	137,270
Short term borrowings	1,019,087	1,286,652	2,305,739	3,918,488	2,711,533	6,630,021
Other finance cost	1,087,080	381,926	1,469,006	1,455,874	25,246	1,481,120
Assets						
Long term investment	-	196,124,862	196,124,862	-	151,053,613	151,057,613
Bank balances	29,202,551	1,587,025	30,789,576	24,667,252	4,255,958	28,923,210
Liabilities						
Long term loans	78,422,356	-	78,422,356	97,487,676	7,621,196	105,108,872
Lease liabilities	163,274	26,766	190,040	174,979	892,868	1,067,847
Accrued Mark-up	3,738,994	25,327	3,764,321	5,688,838	685,865	6,374,703
Short term borrowings	3,483,507	2,202,785	5,686,292	12,557,126	16,808,858	29,365,984

46.1 The Company has maintained deposits with shariah compliant banks and has made investments in shariah compliant mutual funds as mentioned in note 43.

47. NUMBER OF EMPLOYEES

Number of persons employed as at year end were 648 (2024: 801) and the average number of persons employed during the year were 705 (2024: 783).

48. 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. The effect of such representation and reclassification is immaterial.

49. SUBSEQUENT EVENT

The Board of Directors of the holding company proposed a final dividend for the year ended June 30, 2025 of Rs. 10 per share, amounting to Rs. 12,971.544 million, at their meeting held on September 03, 2025 for approval of the members at the Annual General Meeting to be held on October 15, 2025. These consolidated financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

50. DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on September 03, 2025 in accordance with the resolution of the Board of Directors.

51. GENERAL

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



M. HABIBULLAH KHAN

Chairman



KAMRAN KAMAL

Chief Executive



MUHAMMAD SAQIB

Chief Financial Officer



SHAREHOLDERS INFORMATION



Pattern of Shareholding

AS AT JUNE 30, 2025

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
7,721	1	100	319,650
9,997	101	500	3,712,386
4,255	501	1,000	3,494,695
6,574	1,001	5,000	16,909,444
1,923	5,001	10,000	14,649,139
873	10,001	15,000	11,066,268
521	15,001	20,000	9,371,190
370	20,001	25,000	8,544,739
255	25,001	30,000	7,177,461
189	30,001	35,000	6,202,552
153	35,001	40,000	5,855,243
115	40,001	45,000	4,957,445
158	45,001	50,000	7,750,365
82	50,001	55,000	4,342,301
83	55,001	60,000	4,827,250
60	60,001	65,000	3,777,895
45	65,001	70,000	3,079,263
47	70,001	75,000	3,455,034
45	75,001	80,000	3,533,394
36	80,001	85,000	2,987,676
33	85,001	90,000	2,920,296
28	90,001	95,000	2,606,986
103	95,001	100,000	10,251,687
17	100,001	105,000	1,738,736
22	105,001	110,000	2,377,574
27	110,001	115,000	3,042,129
21	115,001	120,000	2,479,744
15	120,001	125,000	1,861,986
11	125,001	130,000	1,414,150
9	130,001	135,000	1,197,717
13	135,001	140,000	1,793,143
13	140,001	145,000	1,849,939
28	145,001	150,000	4,176,216
9	150,001	155,000	1,372,828
7	155,001	160,000	1,106,265

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
7	160,001	165,000	1,143,931
15	165,001	170,000	2,520,107
10	170,001	175,000	1,735,268
9	175,001	180,000	1,604,914
12	180,001	185,000	2,198,810
5	185,001	190,000	941,295
8	190,001	195,000	1,540,171
32	195,001	200,000	6,389,580
8	200,001	205,000	1,625,177
5	205,001	210,000	1,039,524
11	210,001	215,000	2,333,500
8	215,001	220,000	1,743,268
7	220,001	225,000	1,565,085
6	225,001	230,000	1,365,200
7	230,001	235,000	1,623,848
7	235,001	240,000	1,669,777
2	240,001	245,000	487,990
14	245,001	250,000	3,496,352
1	250,001	255,000	250,571
4	255,001	260,000	1,033,923
5	260,001	265,000	1,313,754
3	265,001	270,000	803,087
5	270,001	275,000	1,366,277
4	275,001	280,000	1,103,996
2	280,001	285,000	567,000
3	285,001	290,000	862,873
2	290,001	295,000	586,500
17	295,001	300,000	5,095,342
1	300,001	305,000	300,700
2	305,001	310,000	615,883
7	310,001	315,000	2,192,194
4	315,001	320,000	1,276,049
5	320,001	325,000	1,617,786
3	325,001	330,000	980,848
1	330,001	335,000	330,570
4	335,001	340,000	1,353,151
2	340,001	345,000	680,482

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
8	345,001	350,000	2,793,145
2	350,001	355,000	706,108
4	355,001	360,000	1,429,282
1	360,001	365,000	364,066
3	365,001	370,000	1,105,184
2	370,001	375,000	750,000
4	375,001	380,000	1,513,190
3	380,001	385,000	1,144,137
2	385,001	390,000	775,981
3	390,001	395,000	1,183,246
12	395,001	400,000	4,796,700
1	400,001	405,000	400,325
1	405,001	410,000	405,500
3	410,001	415,000	1,242,000
6	420,001	425,000	2,530,858
1	425,001	430,000	430,000
3	430,001	435,000	1,299,341
1	440,001	445,000	441,883
4	445,001	450,000	1,796,788
2	450,001	455,000	907,986
3	455,001	460,000	1,368,736
1	460,001	465,000	463,750
4	465,001	470,000	1,865,496
3	475,001	480,000	1,437,221
3	480,001	485,000	1,445,781
2	485,001	490,000	979,086
1	490,001	495,000	493,418
11	495,001	500,000	5,496,550
3	500,001	505,000	1,506,695
1	505,001	510,000	508,000
2	510,001	515,000	1,028,122
4	515,001	520,000	2,080,000
1	525,001	530,000	525,500
2	535,001	540,000	1,078,114
1	540,001	545,000	543,873
3	545,001	550,000	1,642,098
1	555,001	560,000	558,316

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
3	560,001	565,000	1,688,324
1	565,001	570,000	566,493
2	570,001	575,000	1,148,906
1	580,001	585,000	581,578
1	585,001	590,000	588,000
2	595,001	600,000	1,200,000
2	600,001	605,000	1,204,856
3	610,001	615,000	1,839,735
1	620,001	625,000	625,000
2	630,001	635,000	1,267,100
1	635,001	640,000	637,300
3	645,001	650,000	1,948,625
1	655,001	660,000	655,800
1	660,001	665,000	662,839
1	685,001	690,000	685,134
4	695,001	700,000	2,800,000
1	700,001	705,000	703,000
1	705,001	710,000	706,000
1	710,001	715,000	714,500
1	715,001	720,000	717,431
2	725,001	730,000	1,452,475
1	735,001	740,000	738,389
3	745,001	750,000	2,246,000
1	750,001	755,000	750,211
2	760,001	765,000	1,524,549
1	770,001	775,000	771,799
1	775,001	780,000	776,397
2	795,001	800,000	1,600,000
1	800,001	805,000	800,500
1	805,001	810,000	809,936
3	815,001	820,000	2,455,231
1	820,001	825,000	823,085
3	830,001	835,000	2,502,346
1	840,001	845,000	840,739
2	845,001	850,000	1,700,000
1	860,001	865,000	865,000
1	865,001	870,000	870,000

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
1	870,001	875,000	871,262
1	875,001	880,000	876,300
2	885,001	890,000	1,772,337
1	895,001	900,000	900,000
1	905,001	910,000	908,000
1	920,001	925,000	923,200
1	930,001	935,000	930,974
1	940,001	945,000	941,792
1	950,001	955,000	950,018
1	975,001	980,000	979,742
7	995,001	1,000,000	7,000,000
2	1,015,001	1,020,000	2,040,000
2	1,030,001	1,035,000	2,068,150
1	1,035,001	1,040,000	1,039,328
2	1,045,001	1,050,000	2,093,669
1	1,070,001	1,075,000	1,075,000
1	1,075,001	1,080,000	1,077,500
1	1,095,001	1,100,000	1,100,000
1	1,110,001	1,115,000	1,115,000
1	1,120,001	1,125,000	1,120,986
1	1,160,001	1,165,000	1,165,000
1	1,170,001	1,175,000	1,172,981
2	1,195,001	1,200,000	2,399,600
1	1,245,001	1,250,000	1,250,000
2	1,250,001	1,255,000	2,504,566
1	1,280,001	1,285,000	1,282,013
1	1,285,001	1,290,000	1,288,826
1	1,290,001	1,295,000	1,294,739
1	1,300,001	1,305,000	1,305,000
1	1,355,001	1,360,000	1,355,140
1	1,390,001	1,395,000	1,392,502
1	1,420,001	1,425,000	1,423,147
1	1,470,001	1,475,000	1,475,000
2	1,490,001	1,495,000	2,988,870
1	1,510,001	1,515,000	1,513,087
1	1,515,001	1,520,000	1,519,000
1	1,550,001	1,555,000	1,554,280

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
1	1,560,001	1,565,000	1,565,000
1	1,575,001	1,580,000	1,575,844
1	1,610,001	1,615,000	1,611,091
1	1,640,001	1,645,000	1,643,320
1	1,695,001	1,700,000	1,700,000
2	1,720,001	1,725,000	3,448,714
1	1,765,001	1,770,000	1,766,700
1	1,780,001	1,785,000	1,782,492
1	1,800,001	1,805,000	1,804,521
1	1,845,001	1,850,000	1,850,000
1	1,875,001	1,880,000	1,878,277
1	1,890,001	1,895,000	1,890,812
1	1,900,001	1,905,000	1,905,000
1	1,920,001	1,925,000	1,925,000
1	1,925,001	1,930,000	1,928,763
2	1,995,001	2,000,000	4,000,000
1	2,000,001	2,005,000	2,000,177
1	2,020,001	2,025,000	2,021,093
1	2,160,001	2,165,000	2,161,261
1	2,220,001	2,225,000	2,222,990
1	2,240,001	2,245,000	2,241,972
1	2,310,001	2,315,000	2,313,000
1	2,485,001	2,490,000	2,489,286
1	2,525,001	2,530,000	2,530,000
1	2,550,001	2,555,000	2,553,779
1	2,575,001	2,580,000	2,579,112
1	2,710,001	2,715,000	2,713,674
1	2,745,001	2,750,000	2,750,000
1	2,790,001	2,795,000	2,794,200
1	2,820,001	2,825,000	2,825,000
1	2,870,001	2,875,000	2,871,885
1	2,875,001	2,880,000	2,880,000
1	2,915,001	2,920,000	2,915,951
1	2,975,001	2,980,000	2,979,371
1	2,985,001	2,990,000	2,989,402
1	3,060,001	3,065,000	3,060,813
1	3,095,001	3,100,000	3,100,000

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
1	3,210,001	3,215,000	3,214,248
1	3,270,001	3,275,000	3,273,300
1	3,310,001	3,315,000	3,310,721
1	3,445,001	3,450,000	3,449,428
1	3,460,001	3,465,000	3,460,879
1	3,535,001	3,540,000	3,535,551
1	3,550,001	3,555,000	3,554,182
1	3,580,001	3,585,000	3,581,547
1	3,980,001	3,985,000	3,982,212
1	3,995,001	4,000,000	4,000,000
1	4,045,001	4,050,000	4,050,000
2	4,165,001	4,170,000	8,333,993
1	4,215,001	4,220,000	4,219,443
1	4,230,001	4,235,000	4,232,711
1	4,655,001	4,660,000	4,660,000
1	4,850,001	4,855,000	4,854,595
1	4,865,001	4,870,000	4,868,480
2	4,995,001	5,000,000	10,000,000
1	5,075,001	5,080,000	5,077,026
1	5,280,001	5,285,000	5,282,500
1	5,400,001	5,405,000	5,402,577
1	6,010,001	6,015,000	6,013,343
1	6,125,001	6,130,000	6,127,423
1	6,595,001	6,600,000	6,600,000
1	6,760,001	6,765,000	6,763,691
1	6,820,001	6,825,000	6,822,860
1	8,340,001	8,345,000	8,343,017
1	8,510,001	8,515,000	8,512,504
1	8,660,001	8,665,000	8,660,143
1	9,050,001	9,055,000	9,053,351
1	9,145,001	9,150,000	9,147,080
1	9,230,001	9,235,000	9,234,013
1	10,105,001	10,110,000	10,109,751
1	10,375,001	10,380,000	10,379,180
1	11,220,001	11,225,000	11,220,371
1	11,650,001	11,655,000	11,653,220
1	11,815,001	11,820,000	11,816,536

Number of Shareholders	Number of Shares		Number of Shares Held
	From	To	
1	14,300,001	14,305,000	14,302,316
1	15,610,001	15,615,000	15,610,495
1	15,690,001	15,695,000	15,691,465
1	16,605,001	16,610,000	16,610,000
1	18,535,001	18,540,000	18,536,350
1	20,680,001	20,685,000	20,684,558
1	21,070,001	21,075,000	21,071,257
1	23,910,001	23,915,000	23,914,214
1	28,210,001	28,215,000	28,213,975
1	91,995,001	92,000,000	92,000,000
1	110,290,001	110,295,000	110,294,985
1	224,425,001	224,430,000	224,428,064
34,418			1,297,154,387

Categories of Shareholding

As on June 30, 2024

S.No	Categories	No. of Shareholders	No. of Shares Held	Percentage
1	Individuals			
o	Local	33,432	438,630,488	33.81
o	Foreign	320	300,483	0.02
2	Joint Stock Companies	263	34,664,001	2.66
3	Financial Institutions	43	82,989,985	6.40
4	Investment Companies	32	42,151,393	3.25
5	Insurance Companies	23	124,783,164	9.62
6	Associated Companies	7	264,146,002	20.36
7	Directors	9	1,006,244	0.08
8	Executives	6	42,424	0.00
9	Nit & ICP	-	-	-
10	Modaraba/Mutual Fund & Leasing Companies	84	126,601,592	9.76
11	OTHERS			
o	Others - Government of Balochistan	1	358,607	0.03
o	Others - GDR Depository	1	1,650	0.00
o	Others - Charitable Trusts	52	124,117,328	9.57
o	Others - Cooperative Societies	10	696,632	0.05
o	Others - Provident/Pension/Gratuity Fund etc	134	51,664,394	3.98
o	Employee's Old Age Benefits Inst.	1	5,000,000	0.39
		34,418	1,297,154,387	100.00

The above two statements include 30,175 shareholders holding 1,293,071,151 shares through the Central Depository Company of Pakistan Limited (CDC).

Key Shareholding

AS AT JUNE 30, 2025

Associated Companies, Undertakings and related parties (name wise details)

S.No	Folio	Name	Holding
1	02832-2798	IMPERIAL DEVELOPERS AND BUILDER (PRIVATE) LIMITED	235,967
2	02832-2921	MEGA CONGLOMERATE (PVT.) LIMITED	28,213,975
3	03277-28342	INSERVEY PAKISTAN (PVT) LTD.	216,910
4	03277-38034	INSHIPPING (PRIVATE) LIMITED.	3,310,721
5	03277-99174	MEGA CONGLOMERATE (PVT.) LIMITED	224,428,064
6	03277-100759	FORBES SHIPPING COMPANY (PRIVATE) LIMITED	2,871,885
7	05132-26	ASKARI BANK LIMITED	4,868,480
TOTAL:=			264,146,002

Directors, CEO

S.No	Folio	Name	Holding
1	01826-69757	SHAFIUDDIN GHANI KHAN	203,000
2	01826-108001	MUHAMMAD HABIB ULLAH KHAN	560
3	01826-108019	ALY KHAN	560
4	01826-108043	ALEEYA KHAN	560
5	03277-94315	SAAD IQBAL	613,870
6	06122-191858	SYED BAKHTIYAR KAZMI	50
7	06452-56706	MANZOOR AHMED	5
8	10629-402670	MUHAMMAD KAMRAN KAMAL	87,639
9	12732-9520	MUHAMMAD KAMRAN KAMAL	100,000
TOTAL:=			1,006,244

Executives

S.No	Folio	Name	Holding
TOTAL:=			42,424

Modaraba/Mutual Fund and Leasing Companies

S.No	Folio	Name	Holding
1	00620-68812	TRUST MODARABA	10,000
2	03939-52675	AL-ZAMIN MODARABA MANAGEMENT (PRIVATE) LIMITED	3,000
3	05645-24	CDC - TRUSTEE HBL INVESTMENT FUND	60,000
4	05777-29	CDC - TRUSTEE HBL GROWTH FUND	175,000
5	05959-27	CDC - TRUSTEE ATLAS STOCK MARKET FUND	8,343,017
6	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	1,172,981
7	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	340,480
8	06437-29	CDC - TRUSTEE HBL ENERGY FUND	314,000
9	06619-26	CDC - TRUSTEE AKD OPPORTUNITY FUND	225,000
10	07062-23	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	6,822,860
11	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	23,914,214
12	07377-26	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	5,402,577
13	07450-521	B.R.R. GUARDIAN LIMITED	94,000
14	09449-25	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	4,854,595
15	09456-24	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	10,109,751
16	09480-21	CDC - TRUSTEE NBP STOCK FUND	11,220,371
17	09506-26	CDC - TRUSTEE NBP BALANCED FUND	233,915
18	09886-22	CDC - TRUSTEE AKD AGGRESSIVE INCOME FUND	44,500
19	10397-29	CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	4,219,443
20	10603-21	CDC - TRUSTEE APF-EQUITY SUB FUND	468,565
21	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND	539,614
22	10900-25	CDC - TRUSTEE APIF - EQUITY SUB FUND	706,000
23	11056-28	CDC - TRUSTEE HBL MULTI - ASSET FUND	11,900
24	11544-4475	FIRST PRUDENTIAL MODARABA	54,367
25	11809-26	CDC - TRUSTEE ALFALAH GHP STOCK FUND	314,345
26	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	581,578
27	12195-21	CDC - TRUSTEE ABL STOCK FUND	1,928,763
28	12310-25	CDC - TRUSTEE AL HABIB STOCK FUND	1,100,000
29	12336-23	CDC - TRUSTEE LAKSON EQUITY FUND	1,039,328
30	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	184,779
31	12880-27	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	28,357
32	13391-26	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	116,500
33	13607-28	CDC - TRUSTEE HBL EQUITY FUND	80,000
34	13698-29	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	42,000
35	13714-25	CDC - TRUSTEE HBL PF EQUITY SUB FUND	37,000

S.No	Folio	Name	Holding
36	13862-28	CDC - TRUSTEE ALFALAH GHP INCOME FUND - MT	359,679
37	13946-28	CDC - TRUSTEE KSE MEEZAN INDEX FUND	2,713,674
38	13953-27	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	50,000
39	13961-26	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	50,000
40	14126-26	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	1,850,000
41	14373-27	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1,423,147
42	14514-28	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	20,693
43	14605-27	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	300,700
44	14761-29	CDC - TRUSTEE AWT ISLAMIC STOCK FUND	602,656
45	14845-29	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1,766,700
46	14860-27	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	602,200
47	14902-21	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,890,812
48	15362-27	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	70,341
49	15388-25	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	22,110
50	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	2,794,200
51	16030-25	CDC - TRUSTEE AWT STOCK FUND	54,830
52	16139-23	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1,643,320
53	16162-20	CDC-TRUSTEE NITIPF EQUITY SUB-FUND	82,025
54	16188-28	CDC-TRUSTEE NITPF EQUITY SUB-FUND	34,154
55	16246-20	CDC - TRUSTEE NBP SAVINGS FUND - MT	632,100
56	16436-27	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	34,000
57	16485-22	CDC - TRUSTEE ALFALAH MTS FUND - MT	65,000
58	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	274,131
59	16519-26	CDC - TRUSTEE NBP ISLAMIC ENERGY FUND	3,554,182
60	16535-24	CDC - TRUSTEE LAKSON TACTICAL FUND	10,657
61	16626-23	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	29,969
62	16675-28	CDC - TRUSTEE MEEZAN ENERGY FUND	4,165,222
63	16733-20	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	105,749
64	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	219,961
65	17277-26	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	22,500
66	17368-25	DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	275,000
67	17491-20	CDC - TRUSTEE AL-AMEEN ISLAMIC ENERGY FUND	5,282,500
68	17640-20	CDC - TRUSTEE ALLIED FINERGY FUND	59,849
69	17681-26	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	396,700
70	17921-26	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1,565,000
71	18002-26	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	98,871
72	18010-25	CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	48,789
73	18051-21	CDC - TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND	78,144
74	18127-22	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	276,687

S.No	Folio	Name	Holding
75	18218-21	CDC - TRUSTEE MEEZAN PAKISTAN EXCHANGE TRADED FUND	365,184
76	18234-29	CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	92,725
77	18770-24	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	1,047,671
78	18986-29	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND	575,000
79	19158-28	CDC - TRUSTEE PAK QATAR IPF - EQUITY SUB FUND	24,724
80	19679-25	CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	168,103
81	19729-28	CDC - TRUSTEE MDAAF - MEEZAN DIVIDEND YIELD PLAN	140,233
82	20016-21	CDC - TRUSTEE-PQIAAF - PAK-QATAR ASSET ALLOCATION PLAN IIIA	5,000,000
83	20370-29	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND-II	48,900
84	20628-27	CDC - TRUSTEE LUCKY ISLAMIC STOCK FUND	820,000

TOTAL:= 126,601,592

Governor of Balochistan

S.No	Folio	Name	Holding
1	16	GOVERNOR OF BALOCHISTAN	358,607

TOTAL:= 358,607

Details of Trading in Shares by Director, Executive and their Spouse / Minor Children

July 1, 2024 to June 30, 2025

S.No	Name of Employee	of shares Number	Rate Purchase	Rate Sold	Date of Reporting via Email
1	Taha Edhy	2000	142		09-Aug-24
2	Ali Yaseen	2000	149.96		13-Aug-24
3	Ammar Ahmad	200	150.01		13-Sept-24
4	Ahsan Ahmed Khan	130	122.22		05-Oct-24
5	Ahsan Ahmed Khan	760	128.14		05-Oct-24
6	Ahsan Ahmed Khan	300	122.80		05-Oct-24
7	Sheraz Pervaiz	5200	102.80		14-Oct-24
8	Ahsan Ahmed Khan	500.00		98.8	15-Oct-24
9	Muhammad Yasir	22000	104		22-Oct-24
10	Ahsan Ahmed Khan	690		109.45	28-Nov-24
11	Ammar Ahmad	100	127		27-Dec-24
12	Zeeshan Gulamani	1000	126.87		27-Dec-24
13	Zeeshan Gulamani	1000		131.00	31-Dec-24
14	Muhammad Yasir	3300	143.13		18-Apr-25
15	Muhammad Yasir	300		145.5	21-Apr-25
16	Muhammad Yasir	3000		134	30-Apr-25

Shareholders Enquires

General enquiries relating to the Company should be addressed to:

The Company Secretary,
The Hub Power Company Limited, 9th Floor,
Ocean Tower, Block-9, Main Clifton Road,
P.O. Box No. 13841, Karachi-75600.

Enquiries relating to Shares should be addressed to:

FAMCO Share Registration Services (Pvt.) Limited
8-F, Nursery, Next to Faran Hotel,
Block 6, PECHS, Shaharah-e-Faisal, Karachi.

Enquiries relating to GDRs should be addressed to:

- (1) BNY Mellon 240
Greenwich Street
New York, NY 10286 USA
- (2) Standard Chartered Bank (Pakistan) Limited,
11 Chundrigar Road, Karachi.

Glossary

ANNUAL GENERAL MEETING (AGM)

Annual General Meeting of shareholders of the Company.

BA&RC

Board Audit & Risk Committee

BNC&SC

Board Nomination Compensation & Sustainability Committee

BCP

Business Continuity Planning

CEO

Chief Executive Officer

CER

Certified Emission Reductions

CFO

Chief Financial Officer

COD

Commercial Operations Date

CPP

Capacity Purchase Price means the fixed element of the Tariff under the Power Purchase Agreement.

THE COMPANY

The Hub Power Company Ltd

COMPANIES ACT

The Companies Act, 2017

CSR

Corporate Social Responsibility

EARNINGS PER SHARE (EPS)

Calculated by dividing the profit after interest, tax and noncontrolling interests by the weighted average number of Ordinary Shares in issue.

FBR

Federal Board of Revenue

CMMS

Computerized Maintenance Management System

GOP

Government of Pakistan

ESG

Environmental, Social and Governance

DEI

Diversity, Equity and Inclusion

NEV

New Energy Vehicle

BYD

Build Your Dreams (a Chinese automobile manufacturer)

GENERATION CAPACITY

Generator capacity (measured in megawatts (MW). measured at the power station boundary after the deduction of works power.

GW

Gigawatt, one thousand million watts

GIGAWATT-HOUR (GWH)

A watt hour is the amount of energy used by a onewatt load drawing power for one hour. A gigawatt-hour (GWh) is 1,000,000 times larger than the kilowatt-hour (kWh) and is used for measuring the energy output of large power plants.

HR

Human Resource

HSE

Health, Safety & Environment

IA

Implementation Agreement an agreement between the Company and the Government which sets out the fundamental obligations of the Company and the Government relating to the Projects.

IASB

International Accounting Standards Board

IFRS

International Financial Reporting Standard

IFRSC

International Financial Reporting Standard Committee

IPP

Independent Power Producer

KW

Kilowatt 1,000 watts

LWI

Lost Workday Injury

WWF

World Wide Fund

EPA Pakistan

Environmental Protection Agency Pakistan

UNEP

United Nations Environment Programme

ISMS

Information Security Management System

PwC

PricewaterhouseCoopers International Limited

RFO

Residual Fuel Oil

TRIR

Total Recordable Incident Rate

KILOWATT-HOUR (KWH)

A watt hour is the amount of energy used by a one-watt load drawing power for one hour. A kilowatt-hour (kWh) is 1,000 times larger than a watt-hour and is a useful size for measuring the energy use of households and small businesses and also for the production of energy by small power plants. A typical household uses several hundred kilowatt-hours per month.

LOAD FACTOR

The proportion of electricity actually generated compared with the maximum possible generation at maximum net capacity.

MMBOE

Millions of barrels of oil equivalent

MW

Megawatt; one MW equals 1,000 kilowatts or one million watts

MEGAWATT-HOUR (MWH)

A watt hour is the amount of energy used by a one-watt load drawing power for one hour. A megawatt-hour (MWh) is 1,000 times larger than the kilowatt-hour and is used for measuring the energy output of large power plants.

NEPRA

National Electrical Power Regulatory Authority

NTDC

National Transmission and Dispatch Company Limited

WAPDA

Water and Power Development Authority

WPPF

Workers Profit Participation Fund

O&M

Operation and Maintenance; usually used in the context of operating and maintaining a power station.

OH1H

Occupational Health & Industrial Hygiene

OUTAGE

When a generating unit is removed from service to perform maintenance work. This can either be planned or unplanned.

PACRA

The Pakistan Credit Rating Agency Limited

POWER PURCHASE AGREEMENT (PPA)

A PPA is generally a long-term contract between an electricity generator and a purchaser of energy or capacity (power or ancillary services).

PSO

Pakistan State Oil Company Limited

PSX

Pakistan Stock Exchange

SECP

Securities and Exchange Commission of Pakistan

WATT

Unit of power, which is the rate at which energy is delivered (ie, work is done at a rate of one watt when one ampere flows through a potential difference of one volt)

Notice Of the 34th Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on **Wednesday, October 15, 2025 at 10:00 am** at Marriott Hotel, Abdullah Haroon Road, Karachi - to transact the following business:

Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditor's Reports thereon, along with the Shariah Reports and the Chairman's Review Report.

As required under section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code.



<https://hubpower.com/investors/>

2. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 10 per share i.e. 100% for the year ended June 30, 2025. This is in addition to interim cash dividend of PKR 5 per share i.e. 50%.
3. To appoint Auditors for the year ending June 30, 2026 and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directors have recommended the name of retiring Auditors M/s. A.F. Ferguson & Co., for re-appointment as Auditors of the Company.

B. SPECIAL BUSINESS:

Investment in Mega Motor Company (Private) Limited ("MMCPL") by the Company in relation to the New Energy Vehicle (NEV) manufacturing and assembling plant to be set up by MMCPL in Gharo, Sindh

1. Execution of Sponsor Support Agreement

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 whereby, the Company be and is hereby authorized to execute a Sponsor Support Agreement for MMCPL (or such other sponsor / finance document as may be required by lenders / financiers) including such amendments, restatements or variations (by whatsoever name called) (the **"Sponsor Support Agreement"**) which may be required from time to time, and all investments contemplated therein be and are hereby approved.

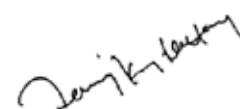
FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Company, acting jointly or singly, or any of their delegates, be and are hereby authorized to negotiate and execute the Sponsor Support Agreement and to do all acts, deeds and things that may be necessary or required in connection therewith and to execute all necessary documentation related, incidental or ancillary thereto, and filings, registrations and / or recording of the same with applicable authorities, including any amendments, restatements, novations, supplementals, or addenda, by whatsoever name called, as may be deemed appropriate and agreed with parties, including inter alia MMCPL, its sponsors, shareholders and lenders / financiers, from time to time."

2. Provision of Sponsor Support Corporate Guarantee

“RESOLVED THAT, the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 whereby, the Company is authorized to arrange and provide one or more sponsor support corporate guarantees to and for the benefit of the lenders / financiers of MMCPL and / or the Security Agent of the lenders / financiers of MMCPL and / or such persons as may be required by the lenders / financiers of MMCPL and / or MMCPL, up to an amount not exceeding USD 55 million (or PKR equivalent), to guarantee funding of (a) cost overruns, (b) any debt servicing shortfall under the long term financing documents of MMCPL, (c) any working capital shortfalls under the short term / working capital financing documents of MMCPL and/or (d) such other related obligations as may be reasonably required by the lenders / financiers for the continued implementation, operation and maintenance of the MMCPL project, by way of funding in such mode or manner as may be agreed with the lenders / financiers of MMCPL, from time to time, each in accordance with the sponsor support agreement to be entered into between the Company and inter alia the lenders / financiers of MMCPL or any another finance / sponsor document as may be required by the lenders / financiers (the “Sponsor Support Agreement”). Such investment shall be for a period up till the tenor of the project loan of MMCPL, June 30, 2039 or such period until the liabilities / obligations of the Company and the Sponsors under the Sponsor Support Agreement remain undischarged, whichever is later. The guarantees and investments may be provided on such terms and conditions as may be negotiated, finalised and approved by the Board of Directors of the Company, including without limitation the nature, extent and duration of the obligations, and the execution of all ancillary documents, deeds, undertakings and instruments as may be required to give full effect to this resolution.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Company, acting jointly or singly, or any of their delegates, be and are hereby authorized to negotiate and finalise the terms of the sponsor support obligations, the sponsor support corporate guarantee, and to execute all necessary documents and agreements in relation to the creation and perfection of the same, including but not limited to the security documents, Sponsor Support Agreement and other related documents and filings, registrations and / or recording of the same with applicable authorities, and for the said purpose, do or cause to do all acts, deeds and things that may be necessary or required or deemed to be ancillary or incidental thereto by the aforementioned authorized representatives in connection therewith including any execution of any amendments, restatements, novations, extensions, supplementals, or addenda, by whatsoever name called, as may be necessary, deemed appropriate, incidental or required under applicable laws, to fully achieve the object of the aforesaid resolutions.”

By Order of the Board



Faiza Kapadia Raffay
Company Secretary

Date: September 19, 2025
Place: Karachi

NOTES:

1. Electronic dividend mandate:

- i. Under Section 242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to its Shareholders through electronic mode directly into the bank account designated by the entitled Shareholders.
- ii. The share transfer books of the Company will be closed from Wednesday, October 8, 2025 to Wednesday, October 15, 2025 (both days inclusive) and the final dividend will be paid to the shareholders whose names appear in the Register of Member on Tuesday, October 7, 2025.
- iii. Transfer requests received in order by M/s. FAMCO Share Registration Services (Private) Limited, 8-F near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. Tel: 0092-21-34380101-5, 34384621-3 Fax: 0092-21-34380106, the Share Registrar of the Company by the close of business (5:00pm) on Tuesday, October 7, 2025 will be treated in time.
- iv. Only those persons whose names appear in the register of members as of Tuesday, October 7, 2025, for the purpose of the Annual General Meeting and determining voting rights.
- v. Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. FAMCO Share Registration Services (Private.) Limited, 8-F, near Hotel Faran, Nursery, Block 6, PECHS, Shahr-e-Faisal, Karachi. All the Shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their Participants. This will assist in the prompt receipt of Dividend.
- vi. Non-resident shareholders shall submit declaration of undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of deduction of tax on dividend to the Share Registrar of the Company. M/s. FAMCO Share Registration Services (Private.) Limited, at 8-F, near Hotel Faran, Nursery, Block 6, PECHS, Shahr-e-Faisal, Karachi or email at info.shares@famcosrs.com at the latest by Tuesday, October 7, 2025. The copy of declaration can be downloaded at share registrar website <https://famcosrs.com/downloads/>
- vii. In case the shareholder is an individual dividend would be paid only if the member has submitted copies of valid CNIC.

2. Withholding of tax on dividend:

i. Tax Rates

Withholding of tax on dividend would be made in accordance with the provisions of the Income Tax Ordinance, 2001 (ITO) Currently Hubco is required to withhold tax from the shareholder u/s 150 read with the provisions of Rule 1 of the Tenth Schedule ("Schedule") and clause 111A of Part IV of the Second Schedule to the ITO as follow:

Rates	Conditions
15%	Where the shareholder is on ATL list as per Schedule
30%	Other than the above

The Company will ascertain the tax status of members as at the first day of book closure and will deduct tax accordingly.

National Tax Number (NTN) should be provided to the concerned participants by corporate members holding CDC accounts. A copy of NTN certificates together with the Company's name and the respective folio numbers should be submitted by members holding share certificates to M/s. FAMCO Share Registration Services (Private) Limited (Share Registrar) at 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahr-e-Faisal, Karachi.

ii. Tax on Joint Shareholding

Tax will be deducted in proportion to shareholding in joint names or joint accounts. Holders will be treated individually as filers or non-filers in accordance with their respective status.

The proportion of shareholding should be submitted by joint shareholders in the following form to the Share Registrar at the latest by Tuesday October 7, 2025:

CDC Account Number / folio	Name of Shareholders (Principal / Joint Holders)	Number or Percentage of Shares Held (Proportion)	CNIC Number	Signature as per CNIC

In case the proportion of shareholding is not submitted, each joint shareholder will be presumed to hold an equal proportion of shares.

iii. Tax Exemption Certificate

A copy of the valid income tax exemption certificate should be submitted to the Share Registrar before the date of book closure by members wishing that no tax is deducted from their dividend.

3. Submission of copies of CNIC not provided earlier:

Individual Shareholders are once again reminded to submit a copy of their valid CNIC immediately, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid copy of Shareholders' CNIC in the records of the Company, the Company will deduct tax @ 30% since they will not be appearing on FBR ATL list.

4. Prohibition on grant of gifts to Shareholders:

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018 and S.R.O.452(1)/2025 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

5. Unclaimed Dividends and Share Certificates:

The Company has, on various occasions, discharged responsibility under Section 244 of the Companies Act, 2017, by approaching shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law. Any Shareholders whose dividends and share certificates are still unclaimed/undelivered, are hereby once again requested to approach the Company with all necessary details immediately, to claim their outstanding dividend amounts and/or undelivered share certificates. In case no claim is received, the Company shall proceed in accordance with the applicable law.

6. Change of Address:

The Shareholders are requested to immediately notify the change in their mailing address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested to promptly notify change in their particulars of their authorized representative, if applicable.

7. Electronic transmission of Annual Report 2025:

In compliance with Section 223(6) of the Companies Act, 2017, the Company has transmitted the Annual Report 2025 electronically via email to those shareholders whose email addresses are available in the records of the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In cases where shareholders' email addresses are not available, printed notices of the Annual General Meeting, together with the weblink and QR code for downloading the Annual Report, have been dispatched. The Company shall, however, provide a hard copy of the Annual Report, free of cost, to any member upon written request at the member's registered address, within seven (7) days of receipt of such request.

Furthermore, shareholders are requested to furnish their valid email addresses, together with a copy of their valid CNIC, to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in the case of shareholding in physical form, or to their respective Participant/Investor Account Services, in the case of shareholding in book-entry form.

8. For Attending the Meeting:

- i. In case of individuals, the Account Holders of Sub-account Holders and / or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii. In case of a corporate entity, the Board of Directors resolution / Power of Attorney with specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the Meeting.

9. For Appointing Proxies:

A member entitled to attend and vote at this AGM is entitled to appoint a Proxy to attend, speak and vote in place of the member at the Meeting. Instrument appointing a proxy shall be submitted at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting, along with attested copy of CNIC of the shareholder appointed as Proxy. For the convenience of shareholders, proxy forms (both in English and Urdu) are enclosed with this notice and also available on the company's website <https://www.hubpower.com>.

In the case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee along with his / her CNIC shall be provided at least forty-eight (48) hours before the time of the meeting. The individual members or representatives of corporate members of the Company in CDC must bring original CNIC or Passport and CDC Account and Participant ID Numbers to prove identity and verification at the time of the meeting.

10. Appointment of Scrutinizer:

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through Postal Ballot, i.e. voting by post or electronic mode in accordance with the requirements and procedure contained in the aforesaid regulations. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s. BDO Ebrahim & Co., a QCR rated audit firm, to act as the Scrutinizer of the Company for the Special Business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

11. Voting Through E-voting and Postal Ballot Paper:

Pursuant to the Companies (Postal Ballot) Regulations, 2018 and read with Section 143 and 144 of the Act, Member will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode in accordance with the requirements and procedure contained in the Regulations.

12. Virtual Participation in the AGM Proceedings:

Shareholders interested in attending the AGM virtually through video conference facility, are hereby advised to get themselves registered with the company by providing the following information through email at generalmeeting@hubpower.com along with a valid copy of their CNIC.

Name of Shareholder	CNIC / NTN No.	Folio No/CDC Account No	No of Shares	Contact No	Email Address

* Where applicable, please also give the above particulars of the proxy-holder of the shareholder.

Online meeting link and login credentials will be shared with only those members/proxies whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. The login facility shall remain open from 09:45 am till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of the AGM on **generalmeeting@hubpower.com** by October 13, 2025.

13. Consent for Video Conference Facility:

In compliance with Section 134(1)(b) of the Companies Act, 2017, if the Company receive consent from members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city. To avail this facility, please provide following information and submit to registered address of the Company.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

I/We, _____ of _____ being a member of The Hub Power Company Limited, holder of _____ Ordinary Shares as per Register Folio No. _____ hereby opt for video conference facility at _____

Signature of member

Statement Pursuant To Section 134(3) Of The Companies Act, 2017

Pursuant to Section 134(3) of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the Annual General Meeting of The Hub Power Company Limited (the “Company”) to be held on October 15, 2025.

1. Investment in Mega Motor Company (Private) Limited (“MMCPL”)

MMCPL is a joint venture between Hub Power Holdings Limited (“HPHL”), a wholly owned subsidiary of the Company, and Mega Conglomerate (Private) Limited (“MCPL”), and HPHL and MCPL are both sponsors and shareholders of MMCPL (HPHL and MCPL are collectively referred to as the “Sponsors”). The principal activities of MMCPL are assembling, progressive manufacturing and marketing of BYD vehicles in Pakistan.

MMCPL intends to obtain financing from various lenders / financiers including but not limited to British Investment International plc, The Bank of Punjab, Habib Bank Limited, for the purposes of constructing a 25,000 units New Energy Vehicle assembly plant in Ghoro, Sindh, Pakistan (the “Project”). Accordingly, MMCPL intends to enter into financing agreement(s) with such lenders / financiers for the purposes of provision of various financing facilities in USD and Rupees, aggregating to approximately USD 90M (collectively, the “Facilities”).

The Company, HPHL and MCPL also intend to enter into a Sponsor Support Agreement (or such other agreement as may be required by lenders to detail the rights and obligations of the Sponsors and the Company, by whatsoever name called) with the lenders of MMCPL which inter alia provides the rights and obligations of the Sponsors and the Company as guarantor, for which approval of the Board was granted on September 3, 2025 (the “Support Agreement”).

As a condition precedent to the availability of the Facilities, and in order to guarantee the financial obligations of MMCPL under the Facilities, the lenders / financiers require the provision of one or more Sponsor Support Corporate Guarantee(s) in favour of the lenders / financiers of MMCPL and / or the Security Agent of the lenders / financiers of MMCPL and / or such persons as may be required by the lenders / financiers of MMCPL and / or MMCPL, in proportion to HPHL’s shareholding in MMCPL, in the amount of up to USD 55 million (the “Guarantee”) from the Company, for which shareholders’ approval is being sought. The Guarantee is intended to be valid up till the tenor of all project loans of MMCPL, June 30, 2039 or such period until the liabilities / obligations of the Company under the Support Agreement remain undischarged, whichever is later.

Upon a demand being made for payment under the Guarantee and receiving such payment, the said amount may be treated as advance, equity or a loan advanced in favour of MMCPL at the option of the Sponsors and the Company in an amount equal to such portion of the Guarantee(s) that is called upon. Approval of the Board of the Company for the aforementioned proposed investment was accorded on September 3, 2025.

As per the requirements of Section 134(3) of the Companies Act, 2017, the draft Support Agreement will be available for inspection at the registered office of the Company i.e. 9th Floor, Ocean Tower, Main Clifton Road, Block-9, Clifton, Karachi prior to the annual general meeting on working days between normal business hours.

Information pursuant to the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the “Regulations”).

Corporate Guarantee by the Company: Investment in an amount not exceeding USD 55 Million (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures required under Regulations 3(a):

Information Required	Information Provided														
Name of the “associated company”	Mega Motor Company (Private) Limited (MMCPL)														
Basis of relationship;	MMCPL is a joint venture between HPHL (a wholly owned subsidiary of the Company) and MCPL. The Company does not directly hold any shareholding in the Company, but indirectly, through its shareholding of HPHL has 50% ownership in MMCPL. Mr. Muhammad Kamran Kamal is a common director between the Company and MMCPL.														
Loss per share for the last three years	(PKR 2.20) (The Company was incorporated on May 6, 2024, therefore only one year information is available)														
Break-up value per share, based on latest audited financial statements	PKR 7.70														
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table> <tr> <th></th><th>PKR in 000's</th></tr> <tr> <td>Total Assets</td><td>11,109,104</td></tr> <tr> <td>Equity</td><td>3,078,356</td></tr> <tr> <td>Long term loan</td><td>-</td></tr> <tr> <td>Current Liabilities</td><td>7,483,557</td></tr> <tr> <td>Turnover</td><td>10,869,890</td></tr> <tr> <td>Loss for the Period</td><td>(881,700)</td></tr> </table>		PKR in 000's	Total Assets	11,109,104	Equity	3,078,356	Long term loan	-	Current Liabilities	7,483,557	Turnover	10,869,890	Loss for the Period	(881,700)
	PKR in 000's														
Total Assets	11,109,104														
Equity	3,078,356														
Long term loan	-														
Current Liabilities	7,483,557														
Turnover	10,869,890														
Loss for the Period	(881,700)														
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely- (I) Description of the project and its history since conceptualization; (II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational;	(I) The Project entails the setting up of a New Energy Vehicle (NEV) manufacturing and assembly plant at land acquired for the purpose at Gharo, Sindh, with an annual production capacity of 25,000 units. (II) The preliminary development activities at the site has started, including the construction of a boundary wall, land leveling, piling work and foundation laying. The contract for the supply of major plant and machinery has also been executed. The Project is scheduled for completion in approximately 18-24 months. (III) The Project is expected to be commercially operational by the fourth quarter of 2026. (IV) The Project is expected to start paying dividend within approximately two to four years from the start of commercial operations.														

(IV) Expected time by which the project shall start paying return on investment; and (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) The Project is being funded in debt to equity ratio of 60:40 based on which the initial equity requirement is estimated as approximately USD 60 million to be injected in cash by Sponsors, pro rata to their shareholding in the Company.
Maximum amount of investment to be made;	USD 55 Million (or in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	As stated above, Guarantee is required to be provided in favour of the lenders / financiers of MMCPL and / or the Security Agent of the lenders / financiers of MMCPL and / or such persons as may be required by the lenders / financiers of MMCPL and / or MMCPL as security to guarantee the financial obligations of MMCPL under the financing agreements to be entered into by MMCPL for the purposes the Facilities. The Guarantee may be called to cover (a) cost overruns, (b) any debt servicing shortfall under the long term financing documents of MMCPL as may be amended from time to time or (c) any working capital shortfalls under the short term financing documents of MMCPL. The Guarantee is intended to be valid up till the tenor of all the project loans of MMCPL, June 30, 2039 or such period until the liabilities / obligations of the Company under the Support Agreement remain undischarged, whichever is later. In terms of benefits to the Company, MMCPL will assemble, market, and sell BYD-branded NEVs in Pakistan, under technical collaboration with BYD Auto Industry Co. Ltd. (BYD), positioning itself as a pioneer in Pakistan's electric mobility sector. Founded in 1995, BYD has become the world's leading NEV manufacturer, surpassing Tesla in global sales. In 2024, BYD sold 4.27 million vehicles with a 5-year CAGR of 60%, consolidating its dominance in the global NEV market and reinforcing the strength of its brand, technology, and market acceptance. Pakistan's Electric Vehicle Policy targets 30% of all new sales to be NEVs by 2030, increasing to 50% by 2040 and 100% by 2050. This policy direction, coupled with rising consumer demand for cost-efficient mobility solutions, creates significant growth potential for NEVs in Pakistan. MMC, with BYD's proven global leadership, is expected to capitalize on this opportunity. MMCPL, with an initial capacity of 25,000 units annually (scalable to 50,000 units), is projected to deliver robust earnings, translating into an expected average Return on Equity (ROE) of approx. 25% over the long term. As NEV penetration rises in Pakistan, MMC's revenues and profitability are projected to scale up significantly, creating long-term financial value for shareholders.

Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds- I. Justification for investment through borrowings II. Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and III. Cost benefit analysis	I. This Guarantee, along with the guarantee from MCPL, is required by lenders of MMCPL as part of the project financing package. If the Guarantee is called, the investment would be made through internally generated cashflows, or through borrowing at the applicable rate at that time. II. As this is a corporate guarantee being provided by the Company, there is no collateral required to be furnished. Charge on fixed and / or current assets of the Company, or such other security as may be required by lenders would be given if investment is made through borrowed funds (if and at the time Guarantee may be called). III. This Guarantee will enable fast track financial close of assembly plant being set by MMCPL. The Project is expected to generate robust returns.
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The Support Agreement details the rights and obligations of HPHL, MMCL and the Company to MMCPL and the lenders including inter alia provision of the Guarantee.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	MMCPL is a joint venture between HPHL (a wholly owned subsidiary of the Company) and MCPL. The Company does not directly hold any shareholding in the Company, but indirectly, through its shareholding of HPHL holds 50% shareholding in the Company. Mr. Muhammad Kamran Kamal is a common director between the Company and MMCPL. Mr. Muhammad Saqib is the CFO of the Company and is also director on the Board of MMCPL.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	The Company has not directly made any investments in MMCPL to date.
Any other important details necessary for the members to understand the transaction	N/A

(b) Disclosures required under Regulation 3(b):

Maximum price at which securities will be acquired	PKR 10 per share or such other price as may be determined by the board of directors of MMCPL.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the price of the shares as decided by the board of directors of MMCPL.

Number of securities and percentage thereof held before and after the proposed investment	The Company, through its wholly owned subsidiary, HPHL, presently holds 500,000,000 shares in MMCPL (including allotted shares), equivalent to approximately 50%. The number of securities held after the proposed investment would be determined by the board of MMCPL on the date of subscription by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	As stated above the number of securities would be determined on the date of subscription. The fair value of shares of MMCPL is PKR 12.59 per share, as of June 30, 2025. The par value of MMCPL's shares is PKR 10, and its latest offer price is PKR 10. HPHL and MCPL shall subscribe to shares of MMCPL at PKR 10 per share or such other price as may be determined by the board of MMCPL.

(ii) investment in the form of loan

(a) Disclosures required under Regulation 3(a):

Information Required	Information Provided														
Name of the "associated company"	Mega Motor Company (Private) Limited														
Basis of relationship	MMCPL is a joint venture between HPHL (a wholly owned subsidiary of the Company) and MCPL. The Company does not directly hold any shareholding in the Company, but indirectly, through its shareholding of HPHL holds 50% shareholding in MMCPL. Mr. Muhammad Kamran Kamal is a common director between the Company and MMCPL.														
Earnings per share for the last three years	(PKR 2.20) (The Company was incorporated on May 06, 2024, therefore only one year information is available)														
Break-up value per share, based on latest audited financial statements	PKR 7.70														
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table> <tr> <th></th><th>PKR in 000's</th></tr> <tr> <td>Total Assets</td><td>11,109,104</td></tr> <tr> <td>Equity</td><td>3,078,356</td></tr> <tr> <td>Long term loan</td><td>-</td></tr> <tr> <td>Current Liabilities</td><td>7,483,557</td></tr> <tr> <td>Turnover</td><td>10,869,890</td></tr> <tr> <td>Loss for the Period</td><td>(881,700)</td></tr> </table>		PKR in 000's	Total Assets	11,109,104	Equity	3,078,356	Long term loan	-	Current Liabilities	7,483,557	Turnover	10,869,890	Loss for the Period	(881,700)
	PKR in 000's														
Total Assets	11,109,104														
Equity	3,078,356														
Long term loan	-														
Current Liabilities	7,483,557														
Turnover	10,869,890														
Loss for the Period	(881,700)														

In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely- (I) Description of the project and its history since conceptualization; (II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational; (IV) Expected time by which the project shall start paying return on investment; and (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(I) The Project entails the setting up of a New Energy Vehicle (NEV) manufacturing and assembly plant at land acquired for the purpose at Gharo, Sindh, with an annual production capacity of 25,000 units. (II) The preliminary development activities at the site has started, including the construction of a boundary wall, land leveling, piling work and foundation laying. The contract for the supply of major plant and machinery has also been executed. The Project is scheduled for completion in approximately 18-24 months. (III) The Project is expected to be commercially operational by the fourth quarter of 2026. (IV) The Project is expected to start paying dividend within approximately two to four years from the start of commercial operations. (V) The Project is being funded in debt to equity ratio of 60:40 based on which the initial equity requirement is estimated as approximately USD 60 million to be injected in cash by Sponsors, pro rata to their shareholding in the Company.
Maximum amount of investment to be made;	USD 55 Million (or in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	As stated above, Guarantee is required to be provided in favour of the lenders / financiers of MMCPL and / or the Security Agent of the lenders / financiers of MMCPL and / or such persons as may be required by the lenders / financiers of MMCPL and / or MMCPL as security to guarantee the financial obligations of MMCPL under the financing agreements to be entered into by MMCPL for the purposes the Facilities. The Guarantee may be called to cover (a) cost overruns, (b) any debt servicing shortfall under the long term financing documents of MMCPL as may be amended from time to time or (c) any working capital shortfalls under the short term financing documents of MMCPL. The Guarantee is intended to be valid up till the tenor of all the project loans of MMCPL, June 30, 2039 or such period until the liabilities / obligations of the Company under the Support Agreement remain undischarged, whichever is later. In terms of benefits to the Company, MMCPL will assemble, market, and sell BYD-branded NEVs in Pakistan, under technical collaboration with BYD Auto Industry Co. Ltd. (BYD), positioning itself as a pioneer in Pakistan's electric mobility sector. Founded in 1995, BYD has become the world's leading NEV manufacturer, surpassing Tesla in global sales. In 2024, BYD sold 4.27 million vehicles with a 5-year CAGR of 60%, consolidating its dominance in the global NEV market and reinforcing the strength of its brand, technology, and market acceptance.

	Pakistan's Electric Vehicle Policy targets 30% of all new sales to be NEVs by 2030, increasing to 50% by 2040 and 100% by 2050. This policy direction, coupled with rising consumer demand for cost-efficient mobility solutions, creates significant growth potential for NEVs in Pakistan. MMC, with BYD's proven global leadership, is expected to capitalize on this opportunity.
	MMCPL, with an initial capacity of 25,000 units annually (scalable to 50,000 units), is projected to deliver robust earnings, translating into an expected average Return on Equity (ROE) of approx. 25% over the long term.
	As NEV penetration rises in Pakistan, MMC's revenues and profitability are projected to scale significantly, creating long-term financial value for shareholders.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds- - Justification for investment through borrowings - Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and - Cost benefit analysis	- This guarantee, along with the guarantee from MCPL, is required by lenders of MMCPL as part of the project financing package. If the Guarantee is called, the investment would be made through internally generated cashflows, or through borrowing at the applicable rate at that time. - As this is a corporate guarantee being provided by the Company, there is no collateral required to be furnished. Charge on fixed and / or current assets of the Company, or such other security as may be required by lenders would be given if investment is made through borrowed funds (if and at the time Guarantee is called). - This Guarantee will enable fast track financial close of assembly plant being set by MMCPL. The Project is expected to generate robust returns.
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The Support Agreement details the rights and obligations of HPHL, MMCL and the Company to MMCPL and the lenders including inter alia provision of the Guarantee.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	MMCPL is a joint venture between HPHL (a wholly owned subsidiary of the Company) and MCPL. The Company does not directly hold any shareholding in the Company, but indirectly, through its shareholding of HPHL holds 50% shareholding in the Company. Mr. Muhammad Kamran Kamal is a common director between the Company and MMCPL. Mr. Muhammad Saqib is the CFO of the Company and is also director on the Board of MMCPL.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	The Company has not directly made any investments in MMCPL to date.
Any other important details necessary for the members to understand the transaction	N/A

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products	The current average cost to the Company is 1 / 3 month KIBOR (as applicable) +0.3% p.a. However, in the present case there is no cost to the Company as it is a corporate guarantee. If the Guarantee is called, and funds are invested through borrowed funds, then apart from cost of funds and appropriate margin, facility arrangement fees and various other fees may be charged by the respective banks, as may be applicable at that time.
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	In the event any amount is invested as a loan, the Company shall require MMCPL to pay interest at the standard bank rates, to be mutually agreed between the parties.
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a loan from the Company to MMCPL.
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid shall be marked as loan to the MMCPL. Since it is a non-funded obligation, there is no repayment schedule.

Proxy Form

The Company Secretary
The Hub Power Company Limited
9th Floor, Ocean Tower, Block 9,
Main Clifton Road P.O. Box No. 13841,
Karachi

I/We _____ of _____ being a member of THE HUB POWER COMPANY LIMITED and holder of _____ Ordinary Shares as per the Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-Account No. _____ hereby appoint _____ of _____ or failing him/her _____ as my/our proxy for me & on my/ our behalf at the 34th Annual General Meeting of the Company to be held on Wednesday, October 15, 2025 at 10:00 am at Marriott karachi.

Witnesses:

(1) Signature _____	(2) Signature _____
Name _____	Name _____
Address _____	Address _____
_____	_____
_____	_____
CNIC / Passport No. _____	CNIC / Passport No. _____

Signature on
Revenue Stamp
of Rs. 5/-

Signature of Shareholder
Folio / CDC No's.

Notes:

- A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf. A Proxy need not be a member of the Company.
- If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, The Hub Power Company Limited, Head Office at 9th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi-75600 so as to reach no less than 48 hours before the time of the meeting, excluding holidays i.e Friday, October 10, 2025
- **For CDC Account Holders/Corporate Entities**
In addition to the above, the following requirements have to be met:
 - (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
 - (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.

In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature to be submitted (unless it has been provided earlier) along with proxy form to the Company.



AFFIX
CORRECT
POSTAGE

The Company Secretary
The Hub Power Company Limited
9th Floor, Ocean Tower, Block 9,
Main Clifton Road P.O. Box No. 13841,
Karachi - 75600

تشکیل نیابت داری فارم

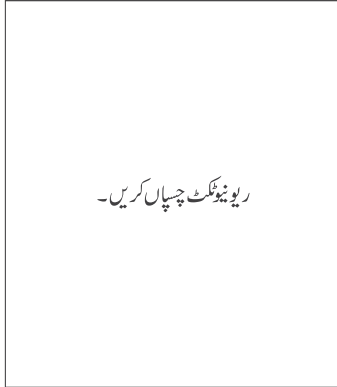
محترمہ / جناب کمپنی سیکریٹری

دی حب پاور کمپنی لمیٹڈ

9 فلور، اوشین ٹاور، بلاک 9، مین کلفٹن روڈ، کراچی

میں / ہم۔ _____
 ساکن۔ _____ بحیثیت دی حب پاور کمپنی لمیٹڈ کے رکن و حامل
 عام حصص بمطابق شیئر رجسٹرڈ فوئیو نمبر۔ _____ اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر۔ _____
 اور ذیلی کھاتہ نمبر۔ _____ محترم / محترمہ۔ _____
 ساکن۔ _____ یا ان کے دستیاب نہ ہونے کی صورت میں دیگر محترم / محترمہ۔ _____
 ساکن۔ _____ کو یہاں اپنے لیے اور اپنی جانب سے مورخہ 15 اکتوبر 2025ء، بوقت 10:00 بجے بروز پیر، بمقام میریٹ ہوٹل، کراچی منعقد ہونے والے 34 ویں سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا / اپنی نمائندہ مقرر کرتا / کرتی ہوں۔

گواہ:



ریونیوٹک چسپاں کریں۔

دستخط

(دستخط کمپنی میں پہلے سے موجود)

نمونہ کے مطابق ہونے چاہیے)

(1) دستخط۔ _____
 نام۔ _____
 پتہ۔ _____
 سی این آئی سی یا پاسپورٹ نمبر۔ _____
 (2) دستخط۔ _____
 نام۔ _____
 پتہ۔ _____
 سی این آئی سی یا پاسپورٹ نمبر۔ _____

نوٹس:

- ایساز رکن جو اجلاس میں شرکت کرنے کا / کی اہل ہے، وہ اجلاس میں شرکت کے لیے، تحریری طور پر اپنا / اپنی نمائندہ مقرر کر سکتا / سکتی ہے۔ نمائندے کے لیے کمپنی کا رکن ہونا ضروری نہیں۔
- اگر کوئی رکن اجلاس میں شرکت کے قابل نہیں ہے، وہ اس فارم پر دستخط کر کے کمپنی سیکریٹری، دی حب پاور کمپنی لمیٹڈ واقع 9 فلور، اوشین ٹاور، بلاک 9، مین کلفٹن روڈ، کراچی - 75600 کو اس طرح بھیج سکتا / سکتی ہے کہ یہ اجلاس شروع ہونے سے 48 گھنٹے قبل، تعطیلات کے علاوہ یعنی بروز جمعہ مورخہ 10 اکتوبر 2025 تک پہنچ جائے۔

سی ڈی سی کے کھاتے دار / کارپوریٹ ادارے

- (i) مذکورہ بالا کے علاوہ، درج ذیل تقاضے بھی پورے ہونا چاہئیں:
- (ii) نیابت داری کے فارم پر دو افراد کی جانب سے بطور گواہ تصدیق ہونا چاہیے اور ان کے نام اپنے سی این آئی سی نمبرز بھی فارم پر درج ہونے چاہیے۔

نیابت داری کے فارم کے ہمراہ سینفیٹل اونر کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقل بھی منسلک ہونا چاہیے۔

کارپوریٹ رکن ہونے کی صورت میں، کمپنی کے پاس نیابت داری کے فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی منظور کردہ قرار داد / مختار نامہ، مع نمائندے کے دستخط کا نمونہ بھی (اگر پہلے فراہم نہیں کیا گیا ہے) فراہم کرنا چاہیے۔



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