



Partners in Progress



Annual Report 2005

The Hub Power Company Limited



Partners in Progress

THE HUB POWER COMPANY LIMITED



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Company Information

HEAD OFFICE	3rd Floor, Islamic Chamber of Commerce Building, ST-2/A, Block 9, Clifton, P.O. Box No. 13841, Karachi-75600. E-mail : Info@hubpower.com Website: http://www.hubpower.com														
REGISTERED OFFICE	C/o. Ford Rhodes Sidat Hyder & Co., 75 West, Blue Area, Fazal-ul-Haq Road, Islamabad.														
ISLAMABAD OFFICE	Sardar M. Yusuf Khan, Corporate Affairs Advisor 250-B, Street No. 23, Sector E-7, Islamabad.														
MANAGEMENT	<table><tr><td>Mr. M. Ashraf Tumbi</td><td>Chief Executive</td></tr><tr><td>Mr. S. Khalid Masood</td><td>Finance Director</td></tr><tr><td>Mrs. Huma Pasha</td><td>Chief Internal Auditor</td></tr><tr><td>Mr. Arshad A. Hashmi</td><td>Company Secretary</td></tr><tr><td>Mr. S Hasnain Haider</td><td>Treasurer</td></tr><tr><td>Ms. Lesley A. Middlecoat</td><td>Sr. Manager HR & PR</td></tr><tr><td>Mr. Abdul Vakil</td><td>Manager Operations</td></tr></table>	Mr. M. Ashraf Tumbi	Chief Executive	Mr. S. Khalid Masood	Finance Director	Mrs. Huma Pasha	Chief Internal Auditor	Mr. Arshad A. Hashmi	Company Secretary	Mr. S Hasnain Haider	Treasurer	Ms. Lesley A. Middlecoat	Sr. Manager HR & PR	Mr. Abdul Vakil	Manager Operations
Mr. M. Ashraf Tumbi	Chief Executive														
Mr. S. Khalid Masood	Finance Director														
Mrs. Huma Pasha	Chief Internal Auditor														
Mr. Arshad A. Hashmi	Company Secretary														
Mr. S Hasnain Haider	Treasurer														
Ms. Lesley A. Middlecoat	Sr. Manager HR & PR														
Mr. Abdul Vakil	Manager Operations														
PRINCIPAL BANKERS Account Banks	National Bank of Pakistan, Karachi. Citibank N.A. Karachi. Standard Chartered Bank Ltd., Karachi. The Bank of Tokyo-Mitsubishi Ltd., London. Sumitomo Mitsui Banking Corp. Europe Ltd., London. Credem International (Lux) S. A., Luxembourg.														
INTER-CREDITOR AGENT	National Bank of Pakistan, Karachi.														
LEGAL ADVISORS	Rizvi, Isa, Afridi & Angell, Karachi. Kabraji & Talibuddin, Karachi. Linklaters & Alliance, London.														
AUDITORS	M. Yousuf Adil Saleem & Co.,														
REGISTRAR	Ford Rhodes Sidat Hyder & Co.,														

Notice of 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of the Company will be held on Wednesday, October 19, 2005 at 11.30 am at Marriott Hotel, Islamabad to transact the following business.

- 1- To confirm the Minutes of 13th Annual General Meeting of the Company held on October 13, 2004.
- 2- To receive and adopt the Audited Accounts of the Company for the year ended June 30, 2005 together with the Directors' & Auditors Reports thereon.
- 3- To approve and declare the final dividend of 26% (Rs.2.60 per share) as recommended by the Board of Directors and the 13% (Rs.1.30 per share) interim dividend already announced and paid on April 28, 2005 making a total dividend of 39% (Rs.3.90 per share) for the year ended June 30, 2005.
- 4- To appoint Auditors and to fix their remuneration.

By Order of the Board

Arshad A. Hashmi
Company Secretary

Karachi: September 1, 2005

Notes:

1. The Share Transfer Books of the Company will remain closed from October 10, 2005 to October 21, 2005 (both days included).
2. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.
3. Duly completed forms of proxy must be deposited with the Company Secretary at the Head Office of the Company not later than 48 hours before the time appointed for the meeting.
4. Shareholders are requested to notify any change in their address immediately.
5. Members who have not yet submitted photocopy of their computerized national identity card to the company are requested to send the same at the earliest.

CDC account holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

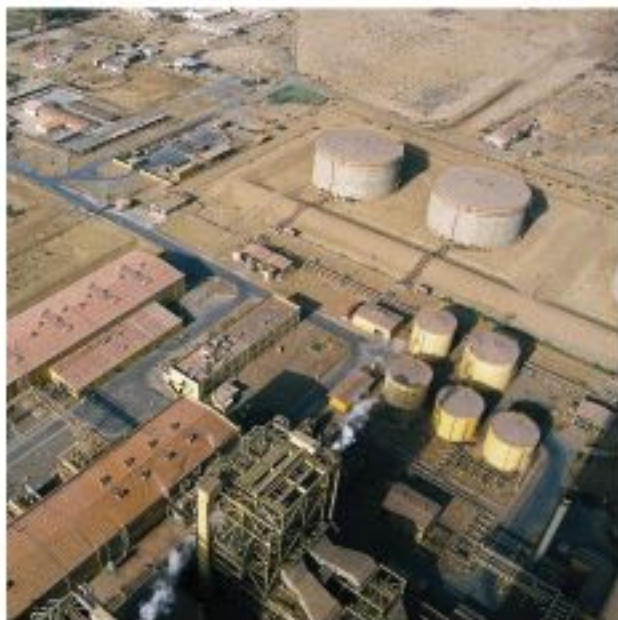
Notice of 14th Annual General Meeting (contd.)

A For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in their registration details are uploaded as per the Regulations, shall authenticate identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B For appointing Proxies

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) Attested copies of NIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.



- (iii) The proxy shall produce his original NIC or original passport at the time of the meeting.
- (iv) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

Board of Directors

Mr. Mohamed A. Alireza, H. I.
Chairman
Other Directorships
Xenel Industries Limited,
& other Xenel Group Companies
Xenel International Limited

Mr. Philip G. Cox
Vice Chairman
Other Directorships
International Power plc
Wincanton plc

Mr. M. Ashraf Tumbi
Chief Executive
Other Appointments
General Manager Finance, Xenel

Mr. Robin A. Bramley
Other Directorships
IPM Operation & Maintenance
Services Pte Ltd.

Mr. Malcolm P. Clampin
Other Appointments
CEO, Kot Addu Power Co., Ltd

Mr. Najam Farooqi

Mr. Taufique Habib
Other Directorships
Golden Arrow Selected
Stocks Mutual Fund

Mr. Vince R. Harris
Other Directorships
Kot Addu Power Co., Ltd.,
Malakoff Berhad, Malaysia,
Edison Mission Energy Asia Pacific Pte Limited,
Edison Mission Energy Asia Pte Limited,
Edison Mission Energy Fuel Co., Pte Limited,
Edison Mission Energy Power,
Edison Mission Energy Taupo Ltd.,
Edison Mission Operation & Maintenance Services Pte Ltd.,
International Power (Uch) Limited,
IPM del Caribe Holding GmbH,
IPR Central Services (No.1,2,3,4) Ltd.,
PT Edison Mission Operation & Maintenance, Indonesia
PT Paiton Energy

Mr. S. Khalid Masood
Finance Director

Mr. Ghulam Sarwar Mengal
Nominee of Government of
Balochistan

Mr. Selki Ogura
Other Directorships
Hub Power Japan Corporation

Mr. S. Ali Raza
Nominee of National Bank of
Pakistan

Mr. S. Nizam A. Shah
Other Directorships
Jahangir Siddiqui & Co., Ltd
Pakistan International Container Terminal Ltd
Hascombe Storage (Pvt) Limited
Telecard Limited
Public Procurement Regulatory Authority
(Govt. of Pakistan) – Member Board

Mr. Mark D. Williamson
Other Directorships
International Power plc

Audit Committee

Mr. Mohamed A. Alireza, H.I.	(Chairman)
Mr. Philip G. Cox	(Member)
Mr. Malcolm P. Clampin	(Member)
Mr. Najam Farooqi	(Member)
Mr. Taufique Habib	(Member)



HUBCO'S BOARD OF DIRECTORS:

STANDING (left to right): Mr. Arshad Hashmi (Company Secretary), Mr. R. A. Bramley, Mr. Malcolm P. Clampin,
SITTING (left to right): Mr. Najam Farooqi, Mr. Vince Harris, Mr. S.N.A. Shah, Mr. M. A. Allreza (Chairman),



Mr. Mark D. Williamson, Mr. Javed Mahmood (Alternate for Mr. S. Ali Raza), Mr. S. Khalid Masood (Finance Director), Mr. M. Ashraf Tumbi (Chief Executive), Mr. Phil Cox (Vice Chairman), Mr. Taufique Habib and Mr. S. Ogura.

Chairman's Review



In the name of God the Most Merciful and the Most Benevolent.

It gives me a great pleasure to present the Annual Report of The Hub Power Company Limited for fiscal year ended June 30, 2005.

I am proud to report yet another major milestone achieved by the Company. On July 11, 2005 the Company paid the last installment of its senior debt. Over the past eight years, the Company made sixteen debt servicing payments and each one of them was on time. For this achievement, I am thankful to WAPDA, our customer and partner in business and the Government of Pakistan; without their support and commitment to the project this would not have been possible. It also proves that privately funded large infrastructure projects have great future in the country.

The repayment of senior debt coincides with our plans to undertake an initiative to develop other energy related projects in Pakistan. The Company is exploring various opportunities for investments and has applied for pre-qualification of IPP projects recently announced by the government.

Hubco and WAPDA continue to work together on matters of mutual interest. Outages at the power plant are planned in advance and agreed mutually to maximize plant availability.

The Company continues to discharge its corporate and social responsibilities through its Social Action Programme (SAP). We focus on education and healthcare for the benefit of the people living in the vicinity of the power plant. The Company funded Primary/ Secondary School has proved to be a major success in providing valuable education to local children. We believe that the development of well educated and skilled workforce is the best mechanism to achieve sustainable development in Balochistan.

The Company has appointed a new CEO, Mr. Ashraf Tumbi who has been significantly involved with Hubco project since its inception. I am sure the Company will benefit greatly from his experience. I would also like to take this opportunity to thank the outgoing CEO Mr. Vince Harris who served the Company for over three years. You will be glad to know that he remains on Hubco's Board.

On behalf of all the shareholders, I would like to place on record our appreciation for the team spirit and co-operation with which our customer WAPDA, our employees, and our operator International Power worked together to make this another successful year and trust that the same spirit will continue in the future.

Mohamed A. Alireza
Chairman

Report of the Directors

The Directors have pleasure in presenting the Annual Report and the Financial Statements of the Company for the year ended June 30, 2005.

General

The principal activities of the Company are to own, operate and maintain an oil-fired power station with a net capacity of 1,200 MW located at the Hub River estuary in Balochistan.

Hubco team continues to work harmoniously with WAPDA on matters of mutual interest. In this regard, Hubco has offered full assistance and co-operation in all operational and administration aspects of business especially in relation to the WAPDA interconnection project which will enable WAPDA to supply Hubco generated electricity directly to Karachi without going through a longer route via Jamshoro. We believe that this project will be beneficial for the economy of Pakistan and particularly for Karachi.

Hubco received The Karachi Stock Exchange Top 25 Companies Award for both the years 2002 and 2003.

Finance

The Company is pleased to report that it has fully paid its senior debt amounting to Rs. 23.9 billion. The last installment was paid on July 11, 2005. As a result of this achievement all debt service reserve account balances have been released to the Company. National Bank of Pakistan is now the sole long term lender to the Company.



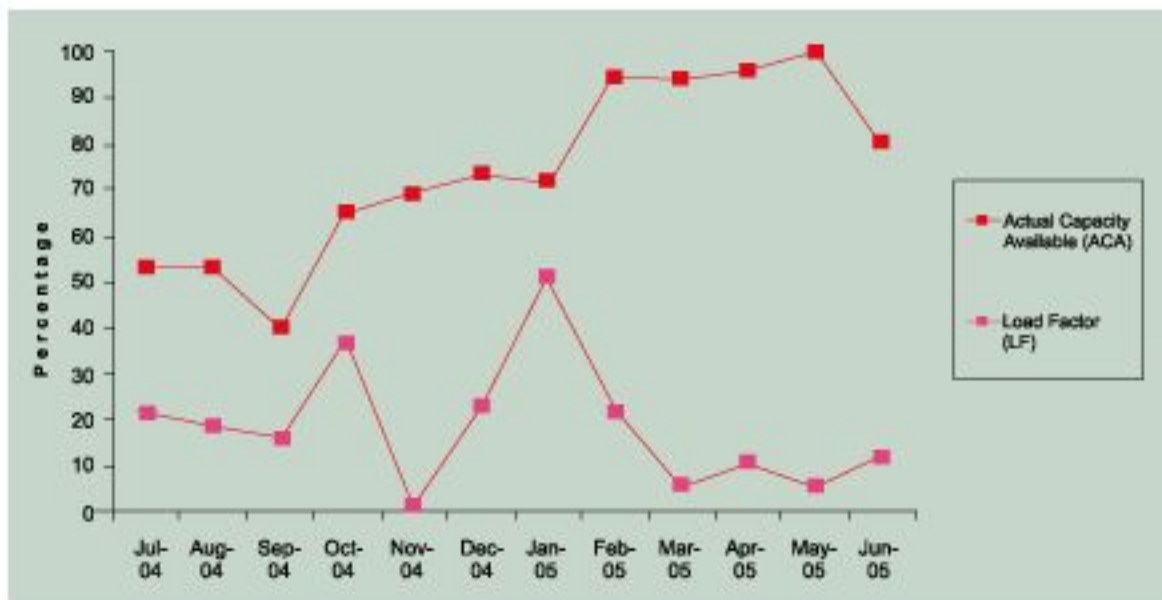
The Company earned a net profit of Rs. 5,385 million, resulting in earnings of Rs. 4.65 per share, compared to a net profit of Rs. 5,463 million last year. The lower net profit in the current fiscal year is mainly due to generating units outage resulting in liquidated damages and deductibles under the plant insurance and lower tariff profile partially offset by higher interest income. Turnover and operating costs figures are higher in the current fiscal year primarily due to increased load factor of 18.79% compared to 15.63% last year.

Operations

During the year the plant continued to run at an average low load factor of 18.79% dispatching 1,975 GWhs of electricity. However, power station maintained availability of 74.10 % for the full year.

In order to maintain efficiency and high availability, the Company continues to allocate funds on various capital expenditure projects. In this regard, during the year major decisions have been made to procure Turbine Blade Rotors from Ansaldo of Italy, upgrade the operator station of distributed control system, upgrade the excitation control system and replace lower portion of boiler reheater tubes on all four boilers. Although all of these are multi million dollar investments, the Company believes they are necessary to operate and maintain the power plant to the best international standard of safety and availability.

Report of Directors



Also, to protect the power station against aggressive coastal sea winds it was decided to completely repaint all Boiler steel structures with a modified British standard paint scheme. Repainting work on three units has been finished during previous year and the fourth unit is expected to be completed during the current year.

During the year Unit 1 turbine was inspected as a planned activity and necessary repairs were carried out and the Unit was made commercially available to WAPDA in February 2005.

Health, Safety & Environment (HSE)

The overall health, safety and environment performance of the plant was excellent throughout the year. The Hub Power Station Site has an ongoing proactive approach to its HSE management.

Station's commitment to safety procedures and site safety has already earned the Royal Society for Prevention of Accidents (RoSPA) Gold Awards consecutively for four years (1998-2001) and Commended Sector Award in Electricity Industry in year 2002. The safety management system has been continuously improved since then. In year 2003 and 2004 station has been awarded with RoSPA Highly Commendation Occupational Safety Sector Award in the Electricity Industry. This year Hub Power Plant has been awarded '**International Sector Award**', the top award in the international industry to recognize the extraordinary outstanding performance in Health and Safety. On June 30, 2005, the plant completed 2,297 days without a Lost Time Accident.

Corporate and Financial Reporting Framework

As required by the Code of Corporate Governance, the directors are pleased to report the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in 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.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Report of Directors

Key operating and financial data of last six years is as follows:

Fiscal year ending June		2004	2003	2002	2001	2000	1999
Turnover	Rs. in million	16,003	19,514	21,367	29,086	25,601	20,667
Net Profit / (Loss)	"	5,463	6,102	7,286	10,859	(6,985)	6,705
Assets	"	51,781	55,546	63,565	65,183	57,685	67,052
Dividend	"	4,281	7,984	7,175	1,967	-	-
Generation	(GWh)	1,647	2,727	3,630	7,165	6,404	5,351
Load Factor	%	16	26	35	68	61	51

Value of investments of provident fund and gratuity scheme based on their respective audited accounts as at June 30, 2004 are as follows:

	Rs. in million
Provident Fund	35.072
Gratuity	16.317

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

1. Mr. M. A. Alireza, H.I.	4
2. Mr. R. A. Bramley	4
3. Mr. P. G. Cox	2
4. Mr. M. Clampin	4
5. Mr. N. Farooqi	6
6. Mr. Taufique Habib	6
7. Mr. Shabbir Hashmi	-
8. Mr. Vincent R. Harris	5
9. Mr. S. K. Masood	6
10. Mr. Ghulam Sarwar Mengal	2
11. Mr. S. Ogura	3
12. Mr. S. A. Raza	5
13. Mr. S. N. A. Shah	5
14. Mr. M. A. Tumbi	5
15. Mr. Mark Williamson	-



The pattern of shareholding as required by the SECP Code of Corporate Governance is attached with this report.

Appropriations

The Directors have pleasure in recommending a final dividend of Rs. 2.60 per share. This will be paid to the shareholders on the Company's register on October 8, 2005. An interim dividend of Rs. 1.30 per share which was declared on March 3, 2005 has already been paid in April. The total dividend to be approved by the shareholders at the Annual General Meeting on October 19, 2005 will be Rs. 3.90 per share.

Due to a change in accounting policy as explained in note 2.3 to the financial statements, the final dividend is not recognized as a liability in the attached financial statements.

Report of Directors

Movement in unappropriated profit is as follows:

	Rs. in millions
NET PROFIT FOR THE YEAR	5,385
Unappropriated profit brought forward	18,071
Profit available for appropriations	23,456
APPROPRIATIONS	
Final dividend for the fiscal year 2003-2004 @ Rs.1.60 per share	(1,852)
Interim dividend for the fiscal year 2004-2005 @ Rs.1.30 per share	(1,504)
	(3,356)
Unappropriated profit carried forward	20,100
Basic and diluted earnings per share (rupees)	4.65

The directors would like to draw your attention to the last paragraph of the Auditors' Report relating to note 20.5 to the financial statements.

Board of Directors

The current members of the Board are listed on Page 7. During the year the changes were as follows:

- | | |
|--|---|
| 1. Mr. Vincent Richard Harris
(Resigned as Chief Executive
w.e.f. January 1, 2005) | Mr. M. Ashraf Tumbi
(Appointed as Chief Executive
w.e.f. January 1, 2005) |
| 2. Mr. Philip Atkinson
(Resigned w.e.f. February 17, 2005)
Nominee of National Power | Mr. Vincent Richard Harris
(Appointed w.e.f. February 17, 2005)
Nominee of National Power |
| 3. Mr. Simon Pinnell
(Resigned w.e.f. February 17, 2005)
Nominee of National Power | Mr. Malcolm Peter Clampin
(Appointed w.e.f. February 17, 2005)
Nominee of National Power |
| 4. Maj (R) Muzaffer Ali Afridi
(Resigned w.e.f. February 17, 2005)
Government of Balochistan | Mr. Ghulam Sarwar Mengal
(Appointed w.e.f. February 17, 2005)
Government of Balochistan |

Auditors

The retiring auditors Messrs M. Yousuf Adil Saleem & Company, Chartered Accountants being eligible offer themselves for reappointment.

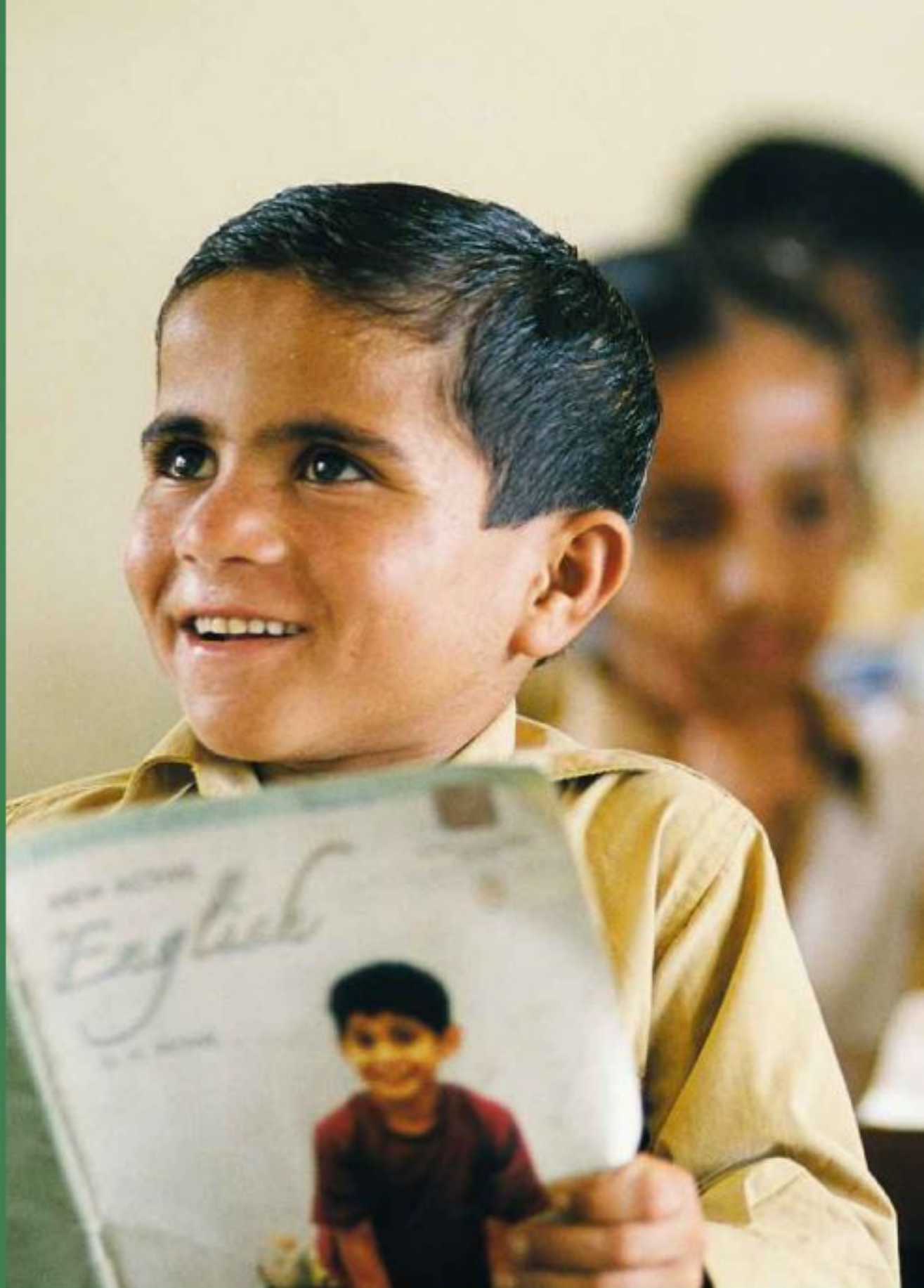
Shareholding Pattern

A statement reflecting the distribution of shareholding is attached with this report.

By Order of the Board

Karachi – September 1, 2005

M. Ashraf Tumbi
Chief Executive



Partners in Progress

SOCIAL ACTION PROGRAMME



Capacity Building – The Cornerstone of Hubco's Social Action Programme

HUBCO's unwavering and ever expanding commitment to its Social Action Programme is clearly evident of the corporate social responsibility that the Company feels.

The Hub Power Plant constitutes a significant percentage of the country's power generation capacity and as such has contributed meaningfully to capacity building in the energy sector of Pakistan. Quite appropriately therefore the Social Action Programme (SAP) of HUBCO also focuses on maximizing socio-economic capabilities of the community at large in the Hub and Gadani areas. This is seen as the long-term and sustainable solution to alleviating the problems facing the community. If the capabilities of the people are enhanced, they gain access to better employment and income generation opportunities and progress takes place at the grass roots level.



The HUBCO SAP believes that education is the key capacity builder, empowering the people to forge a better future for themselves. Accordingly 2004 saw the opening of TCF School HUBCO-IPGD Campus. In the little over a year since its opening, the school has achieved considerable progress. The student strength has gone up from 179 children at the school's opening in January 2004 to 307 children at the present time. Both the primary school and the separate secondary school sections for boys and girls are now fully operational. Internal examinations were held in December 2004 with 100 percent results and the students were promoted to the next class. Various activities were organized during the past year, including field trips, Independence Day celebration, Sports Week, Annual Function and Pakistan Day celebration. TCF School HUBCO-IPGD Campus has thus become a beacon of hope for the future generations of the local people.

This year again HUBCO extended its support to the six days residential Young Leaders Conference (YLC), held this time in Islamabad. Whereas last year HUBCO had sponsored 6 students from Balochistan to attend the Conference, 14 students were sponsored this year. The YLC is again a capacity building opportunity and may well prove to be an important turning point in the lives of the sponsored students. Many of them visited the country's capital city for the very first time. At the Conference they interacted with youth from all over



Pakistan and the exposure this provided, together with the several activities that were held during the six days will prove to be highly beneficial for the Baloch students. During the year Hubco also sponsored 20 female students of The Sardar Bahadur Khan Women's University Quetta, in addition to 10 scholarships awarded to Balochistan University.

The health sector is the second field that HUBCO SAP has traditionally been involved in. As per past years, free eye clinics and free medical camps were held in the current year also.

Social Action Programme (contd.)

Distribution of free medicines to the area hospitals and dispensaries was also carried out as in the past.

Improving peoples' health is also socio-economic capacity building. In many households in the area, there is often a single bread earner and this person's incapacitation due to ill health has serious repercussions for the whole family, especially if the bread earner is a daily wage worker. Maintaining good health all around is therefore of vital importance to the local community and the contribution of HUBCO SAP in this regard extends beyond holding of eye clinics and medical camps and the supply of



medicines to raising essential health awareness in the community. Disease prevention is better than disease

treatment and the HUBCO SAP health initiative covers also creating awareness of hygiene, diet and healthy habits. A healthier community means a more capacitated community.



The Social Action Programme also lends support to capacity building in the present time, by sponsoring infrastructure that improves the daily lives of the people and donating equipment that various executing agencies may need to improve their own performance and services. Thus HUBCO presented a fully equipped pick-up van to the local police in the current year. This has assisted the local police in their day to day policing of the area.

Over the years since the HUBCO SAP has been in place, a tangible change in the socio-economic conditions of the local people can already be felt.



Thus the SAP is acting as an important catalyst for the development of the area and in the longer term its concentration on capacity building will surely lead to a positive outcome. Enhancing the capabilities of people is a permanent change. It is also a change that inevitably has a snowball affect, as more and more people with enhanced capabilities bring about change in turn for others. And so the cycle goes on.



HUBCO's unwavering and ever expanding commitment to its Social Action Programme is clearly evident of the corporate social responsibility that the Company feels.



Partners in Progress

STATEMENTS OF COMPLIANCE



Statement of Compliance with the Best Practices of Code of Corporate Governance for the year ended June 30, 2005

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.37 (xiv) of listing regulations of The Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The company has applied the principles contained in the Code in the following manner:



1. The Board of Directors of The Hub Power Company Limited has always supported and re-confirms its commitment to continued support and implementation of the highest standards of Corporate Governance at all times.
2. The Hubco Board had already approved the Company's own Code of Corporate Governance on June 24, 1994 before the Company issued its shares to the public in October, 1994. This code has been followed ever since.

The Company was initially listed only on The Karachi Stock Exchange, however in order to facilitate its shareholders/investors all over Pakistan, the Company is now listed on all Stock Exchanges in Pakistan.

The Board at its meeting on September 4, 2002 (the first meeting after May 2002) has amended Hubco's Code of Corporate Governance of June 1994 which, after the incorporation of the SECP Code in the Stock Exchange Listing Rules, now includes the following:

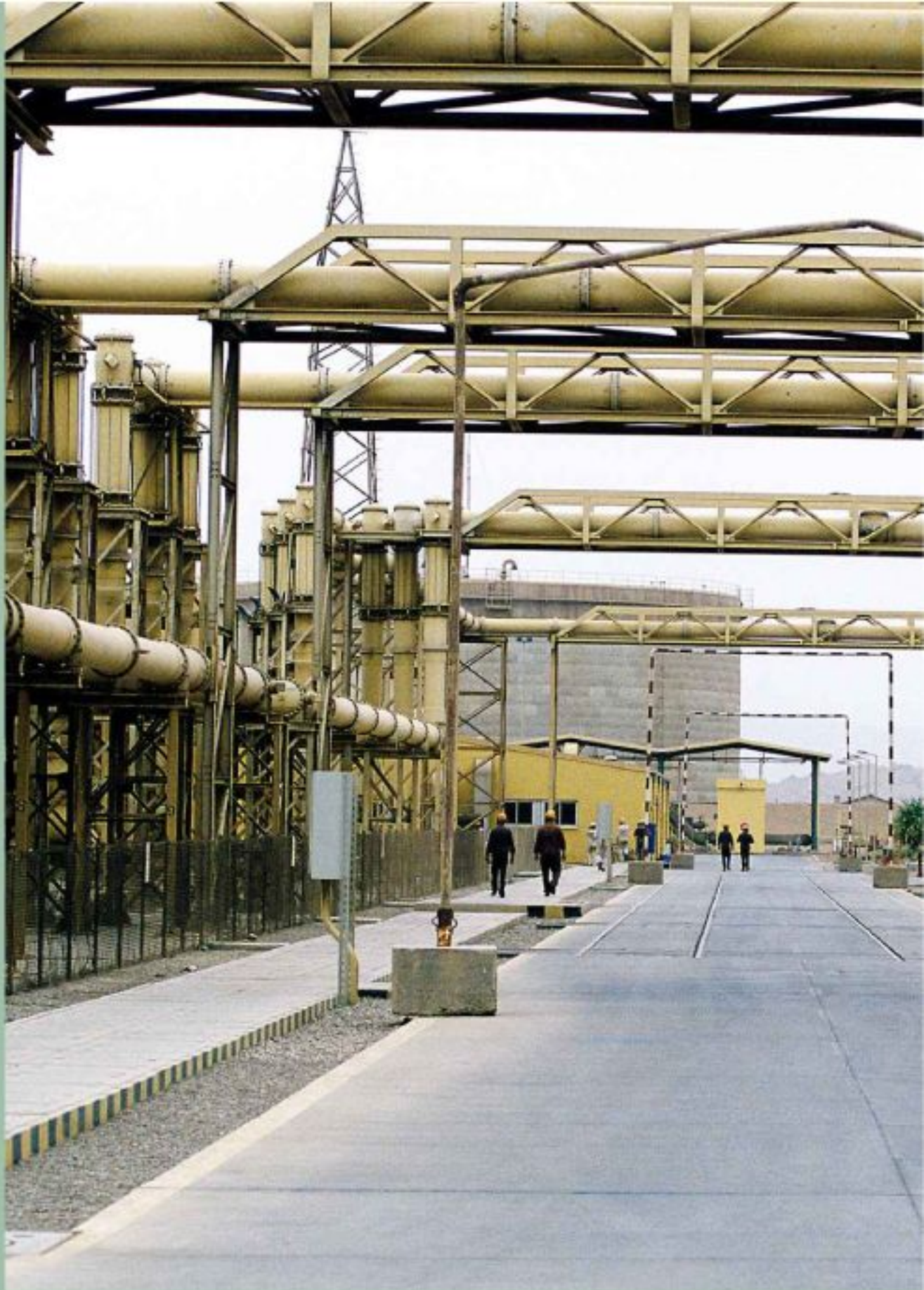
- a) Primary and Secondary Delegations – 1997,
 - b) Karachi Stock Exchange circular dated May 9, 2002 incorporating the SECP Code of Corporate Governance dated March 28, 2002 in its Listing Rules,
 - c) Hubco's Code of Business Ethics – dated June 10, 2002,
 - d) Dealing by Directors and Employees in Shares of Hubco.
 - e) Role & Responsibilities of the Chairman – dated September 2, 2004
3. The Board has also adopted Vision and Mission Statements at its meeting on September 4, 2002.
 4. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes at least one independent non-executive director and one director representing minority shareholders.
 5. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
 6. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
 7. Casual vacancies occurring in the Board were filled up by the directors within 30 days thereof.
 8. The Board has developed overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.
 9. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive and other executive directors, have been taken by the Board.

10. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
11. The Board arranged another orientation course for its directors in April 2005 on their duties and responsibilities.
12. The Board had approved appointment of the Finance Director, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by the Chief Executive.
13. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
14. The financial statements of the Company were duly endorsed by Chief Executive and the Finance Director (CFO) before approval of the Board.
15. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
16. The Company has complied with all the corporate and financial reporting requirements of the Code.
17. The Board has formed an audit committee. It comprises 5 members; all 5 are non-executive directors including the chairman of the committee.
18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
19. The Board has the following functioning Committees with their Terms of Reference, these are composed of non-executive Directors:
 - a) Audit Committee also ensures the independence of the internal audit function and the independence and objectivity of the External Auditors.
 - b) Compensation Committee also monitors the remuneration and appointments of Senior Management as well as the personnel policies and its implementation.
 - c) Technical Committee also monitors the operation of the plant as well as all O&M Contractor related issues.
 - d) Corporate Affairs Committee also monitors the social action programmes and public relations.These committees meet regularly before Board meetings and each committee report is presented to the full Board meetings.
20. The Board of Directors has implemented an organizational structure for the Company and has appointed the Chief Executive, the Finance Director and the Company Secretary to manage the affairs in accordance with the Code of Corporate Governance of the Company as amended from time to time.
21. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.
22. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. We confirm that all other material principles contained in the Code have been complied with.

By order of the Board

M. Ashraf Tumbi
Chief Executive

Karachi – September 1, 2005



Partners In Progress

REPORTS



Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of The Hub Power Company Limited to comply with the Listing Regulation No.37 of Karachi Stock Exchange, Chapter XIII of the Listing Regulations of the Lahore Stock Exchange and Chapter XI of the Listing Regulations of the Islamabad Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

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 best practices contained in the Code of Corporate Governance, as applicable to the Company for the year ended June 30, 2005.

Karachi – September 1, 2005

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Auditors' Report to the Members

We have audited the annexed balance sheet of The Hub Power Company Limited (the Company) as at June 30, 2005 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended 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 our audit.

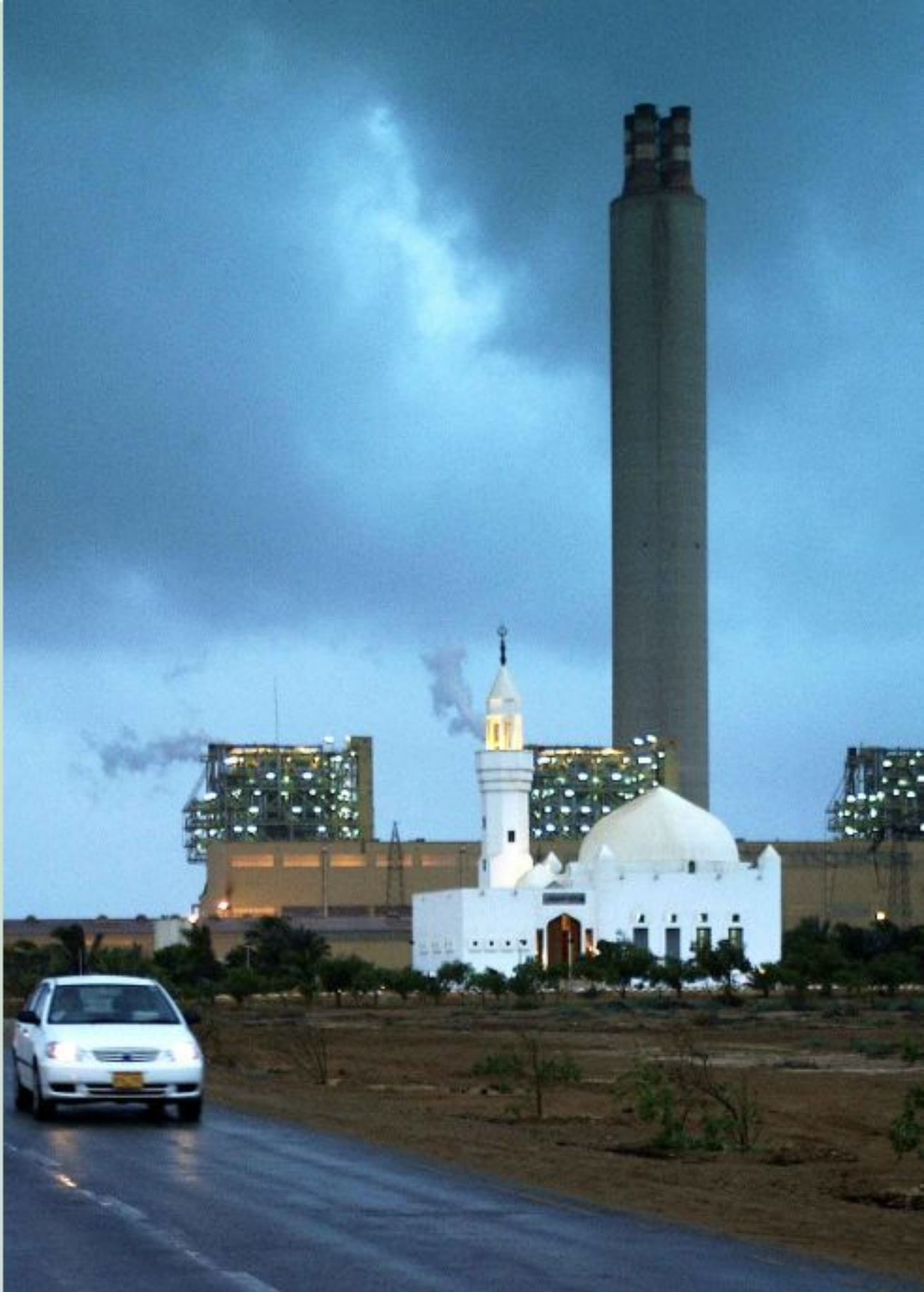
It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 2.3 with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2005 and of the profit, its cash flows and changes in equity for the year then ended;
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance; and
- (e) without qualifying our opinion, we draw attention to the matters described in note 20.5 to the financial statements. The ultimate outcome of these contingencies cannot presently be determined and accordingly, no provision for any liability that may result has been made in the financial statements.

Karachi – September 1, 2005

M. Yousuf Adil Saleem & Co.
Chartered Accountants



Partners in Progress

FINANCIAL STATEMENTS



Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2005

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
Turnover	3	16,978,466	16,002,782
Operating costs	4	(9,821,498)	(8,106,637)
GROSS PROFIT		7,156,968	7,896,145
Other income	5	230,967	124,621
		7,387,935	8,020,766
General and administration expenses	6	(194,244)	(230,628)
Other expenses	7	-	(104,011)
OPERATING PROFIT		7,193,691	7,686,127
Financing costs	8	(1,808,242)	(2,223,163)
NET PROFIT FOR THE YEAR		5,385,449	5,462,964
Basic and diluted earnings per share (rupees)	25	4.65	4.72

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 30 form an integral part of these financial statements.

M. Ashraf Tumbi
Chief Executive

S. Nizam A. Shah
Director

Balance Sheet

AS AT JUNE 30, 2005

	Note	2005 (Rs. '000s)	2004 (Rs. '000s) (Restated)
ASSETS	2.3		
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	9	34,931,885	36,424,406
Intangibles	10	7,622	7,816
Stores and spares	29.1	562,680	543,782
Long term deposits and prepayments	11	162,316	1,534,781
Derivative financial asset - (FERI) contract	12	-	796,845
CURRENT ASSETS			
Current portion of derivative financial asset - (FERI) contract	12	856,055	2,024,144
Inventory of fuel oil		1,251,045	1,513,779
Trade debts	13	1,444,237	1,880,401
Advances, deposits, prepayments and other receivables	14	1,381,759	1,250,871
Cash and bank balances	15	6,038,136	5,803,750
		10,971,232	12,472,945
TOTAL ASSETS		46,635,735	51,780,575
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Share Capital			
Authorised	16	12,000,000	12,000,000
Issued, subscribed and paid-up	16	11,571,544	11,571,544
Revenue Reserve			
Unappropriated profit		20,100,268	18,070,567
		31,671,812	29,642,111
NON-CURRENT LIABILITIES			
Long term loans	17	10,229,283	13,230,661
Deferred liability	18	4,910	13,314
CURRENT LIABILITIES			
Current maturity of long term loans	17	3,037,544	5,919,157
Trade and other payables	19	976,286	2,041,234
Interest / mark-up accrued on long term loans		715,900	934,098
		4,729,730	8,894,489
COMMITMENTS AND CONTINGENCIES	20	-	-
TOTAL EQUITY AND LIABILITIES		46,635,735	51,780,575

The annexed notes from 1 to 30 form an integral part of these financial statements.

M. Ashraf Tumbi
Chief Executive

S. Nizam A. Shah
Director

Cash Flow Statement

FOR THE YEAR ENDED JUNE 30, 2005

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		5,385,449	5,462,964
Adjustments for:			
Depreciation		1,647,753	1,649,836
Amortisation		4,536	1,391
(Gain) / Loss on disposal of fixed assets		(2,438)	104,011
Staff gratuity		6,616	14,328
Interest income		(191,507)	(96,932)
Interest / mark-up on long term loans		1,556,330	1,910,259
Operating profit before working capital changes		8,406,739	9,045,857
Working capital changes	24	(482,116)	(93,602)
Cash generated from operations		7,924,623	8,952,255
Interest received		173,413	152,293
Interest / mark-up paid on long term loans		(1,724,561)	(2,109,131)
Staff gratuity paid		(15,020)	(1,014)
Net cash from operating activities		6,358,455	6,994,403
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure (net)		(160,050)	(270,224)
Proceeds from disposal of fixed assets		2,914	15,265
Stores and spares	24.1	(18,898)	(22,125)
Long term deposits and prepayments		1,372,465	853,040
Net cash from investing activities		1,196,431	575,956
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(3,968,025)	(3,968,025)
Dividends paid		(3,352,475)	(4,276,682)
Net cash used in financing activities		(7,320,500)	(8,244,707)
Net increase / (decrease) in cash and bank balances		234,386	(674,348)
Cash and bank balances at the beginning of the year		5,803,750	6,478,098
Cash and bank balances at the end of the year	15	6,038,136	5,803,750

The annexed notes from 1 to 30 form an integral part of these financial statements.

M. Ashraf Tumbi
Chief Executive

S. Nizam A. Shah
Director

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2005

	Note	2005 (Rs. '000s)	2004 (Rs. '000s) (Restated)
Issued capital	2.3		
Balance at the beginning of the year		11,571,544	11,571,544
Balance at the end of the year	16	11,571,544	11,571,544
Unappropriated profit			
Balance at the beginning of the year as previously reported		16,219,120	14,459,050
Effect of change in accounting policy Final dividend for the fiscal year 2003-2004 @ Rs.1.60 (2002-2003: Rs.2.10) per share	2.3	1,851,447	2,430,024
Balance at the beginning of the year - restated		18,070,567	16,889,074
Net profit		5,385,449	5,462,964
Final dividend for the fiscal year 2003-2004 @Rs.1.60 (2002-2003: Rs.2.10) per share		(1,851,447)	(2,430,024)
Interim dividend for the fiscal year 2004-2005 @ Rs.1.30 (2003-2004: Rs.1.60) per share		(1,504,301)	(1,851,447)
Balance at the end of the year		20,100,268	18,070,567
Total equity		31,671,812	29,642,111

The annexed notes from 1 to 30 form an integral part of these financial statements.

M. Ashraf Tumbi
Chief Executive

S. Nizam A. Shah
Director

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2005

1. THE COMPANY AND ITS OPERATIONS

The Hub Power Company Limited (the "Company") was incorporated in Pakistan on August 1, 1991 as a public limited company under the Companies Ordinance, 1984 (the "Ordinance"). The shares of the Company are listed on the Karachi, Lahore and Islamabad Stock Exchanges and its Global Depository Receipts are listed on the Luxembourg Stock Exchange. The principal activities of the Company are to own, operate and maintain an oil-fired power-station with four generating units with an installed net capacity of 1,200 MW in Tehsil Hub, District Lasbella, Balochistan.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Ordinance. Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan (the "SECP") differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except for the measurement at fair value of derivative financial instrument. In addition, the carrying value of long term loans that are hedged are adjusted to record changes in the fair values.

2.3 Change in accounting policy

During the year, the SECP substituted the Fourth Schedule to the Ordinance which is effective from the financial year ending on or after July 5, 2004. Due to this substitution, the Company is required to change its accounting policy pertaining to recognition of dividend proposed subsequent to the year end.

Accordingly effective from current year, the Company has not recognised the final dividend proposed subsequent to the year end as a liability to comply with the substituted Fourth Schedule to the Ordinance. Such a change in policy has been accounted for retrospectively and comparative financial statements have been restated in accordance with the recommended benchmark treatment of IAS 8 (Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies). Had the above referred accounting policy not been changed, the unappropriated profit and the trade and other payables for the year ended June 30, 2005 would have been lower and higher respectively by Rs. 3,008.601 million (2004: Rs. 1,851.447 million). The effect of this change in accounting policy has been reflected in the balance sheet and statement of changes in equity.

2.4 Property, plant and equipment

(a) Operating property, plant, equipment and depreciation

These are stated at cost less accumulated depreciation 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 shown in note 9.1 to the financial statements. Depreciation on additions is charged for the full month in which an asset is put to use and on disposals up to the month immediately preceding the disposals.

Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposals are taken to the profit and loss account.

(b) Capital work-in-progress

Capital work-in-progress is stated at cost.

2.5 Intangible assets and amortisation

These are stated at cost less accumulated amortisation. Amortisation is computed using the straight-line method over the estimated useful lives of the assets at the rate shown in note 10.1 to the financial statements.

2.6 Stores and spares

These are stated at cost. The Operation and Maintenance Contractor is responsible to maintain and replenish stores and spares as they are used.

2.7 Impairment of assets

The carrying amounts of operating property, plant and equipment, intangible assets and stores and spares are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed these estimated recoverable amounts, assets are written down to their recoverable amounts. Impairment losses are recognized as expense in the profit and loss account.

2.8 Inventory of fuel oil

This is 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.

2.9 Revenue recognition

Revenue from the sale of electricity to the Water and Power Development Authority (WAPDA), the sole customer of the company, is recorded based upon the output delivered and capacity available at rates as specified under the Power Purchase Agreement (PPA), as amended from time to time. PPA is a contract over a period of 30 years starting from 1997.

2.10 Interest income

Interest income is recorded on accrual basis.

2.11 Staff retirement benefits

The Company operates a partially funded defined benefit gratuity plan covering eligible employees whose period of service with the company is at least five years.

Actuarial gains and losses are recognized in accordance with the recommendations of the actuary.

The Company operates a defined contribution provident fund for all its employees who are eligible for the plan. Equal contributions thereto are made by the Company and the employees in accordance with the fund's rules.

2.12 Related party transactions and transfer pricing

All transactions with related parties and associated undertakings are entered into at an arm's length price using permissible valuation method. However, payments under The Operation & Maintenance Agreement, The Support Services Agreement and The Project Co-ordination Agreement are made at contracted rates because the Company had entered into these agreements before the incorporation of transfer pricing requirements in the Fourth Schedule to the Ordinance.

2.13 Foreign currency translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using balance sheet 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 translations are included in profit and loss account alongwith any related hedge effects.

2.14 Taxation

Under the Implementation Agreement (IA) signed with the Government of Pakistan, the Company is not liable to taxation in Pakistan.

2.15 Dividend

Dividend is recognized as a liability in the period in which it is declared.

2.16 Financial instruments

(a) Cash and bank balances

Cash in hand and in banks and short-term deposits which are held to maturity are carried at cost.

Cash and bank balances are defined as cash in hand, demand deposits and short-term placements readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(b) Trade and other receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts.

Other receivables and receivable from related parties are recognized and carried at cost.

(c) Long term loans and accrued interest

All loans are initially recognized at cost.

After initial recognition, all foreign currency loans and accrued interest thereon are subsequently measured at fair value and any gain or loss arising from a change in fair value is included in the profit and loss account in the period in which it arises.

(d) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services.

Payables to related parties are carried at cost.

(e) Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are subsequently remeasured at fair values. Any gain or loss from remeasuring the derivative financial instrument at fair value is recognised in the profit and loss account in the period in which it arises.

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
3. TURNOVER			
Turnover		17,909,463	16,678,086
Less: Sales Tax		(930,997)	(675,304)
		<u>16,978,466</u>	<u>16,002,782</u>
4. OPERATING COSTS			
Residual Fuel Oil		6,377,081	4,673,443
Operation and Maintenance - relating to an associated company	20.1	1,084,056	1,001,713
Insurance		482,306	554,279
Depreciation	9.3	1,637,851	1,641,203
Amortisation	4.1 & 10.1	4,379	1,086
Miscellaneous		235,825	234,913
		<u>9,821,498</u>	<u>8,106,637</u>

4.1 Amortisation on intangible assets previously classified under depreciation is disclosed separately in accordance with the revised Fourth Schedule to the Ordinance.

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
5. OTHER INCOME			
Interest income		191,507	96,932
Gain on disposal of fixed assets		2,438	-
Exchange gain		37,022	27,689
		<u>230,967</u>	<u>124,621</u>
6. GENERAL AND ADMINISTRATION EXPENSES			
Salaries, benefits and other allowances	6.1	88,332	104,074
Fuel and power		1,642	1,431
Property, vehicles and equipment rentals		5,506	5,212
Repairs and maintenance		3,412	3,872
Legal and professional		17,291	39,852
Insurance		12,077	11,610
Auditors' remuneration	6.2	1,269	942
Depreciation	9.3	9,902	8,633
Amortisation	4.1 & 10.1	157	305
Miscellaneous	6.3	54,656	54,697
		<u>194,244</u>	<u>230,628</u>

6.1 These include Rs.10.503 million (2004: Rs.18.372 million) in respect of staff retirement benefits.

6.2 Auditors' remuneration

Statutory audit	750	600
Half yearly review	220	220
Other services	144	50
Out-of-pocket expenses	155	72
	<u>1,269</u>	<u>942</u>

6.3 Includes donation of Rs.7.947 million (2004: Rs.6.364 million). No directors or their spouses had any interest in any donee to which donations were made.

7. OTHER EXPENSES

Loss on disposal of fixed assets	-	104,011
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8. FINANCING COSTS

Interest / mark-up on long term loans		1,556,330	1,910,259
Foreign Exchange Risk Insurance (FERI)			
Premium to the State Bank of Pakistan	8.1	159,611	391,889
FERI Premium from WAPDA		(159,611)	(391,889)
Unrealised loss on remeasurement of			
long term loans and interest	8.2	59,211	541,186
Unrealised gain on remeasurement of FERI contract	8.3	(59,211)	(541,186)
Miscellaneous financing costs		251,895	312,876
Bank charges		17	28
		<u>1,808,242</u>	<u>2,223,163</u>

8.1 Foreign Exchange Risk Insurance (FERI) Scheme is provided by the State Bank of Pakistan (SBP). Under this scheme the Company is allowed to buy foreign exchange from SBP for future repayment of its foreign currency loans and accrued interest at contracted rates.

8.2 This represents a loss on remeasurement of long term loans and interest accrued thereon as a result of changes in fair value attributable to the hedged risk.

8.3 This represents gain to recognise the FERI contract, a hedging instrument, at fair value.

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
9. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	9.1	34,905,346	36,407,196
Capital work-in-progress	9.5	26,539	17,210
		34,931,885	36,424,406

9.1 Operating property, plant and equipment

	Freehold land	Freehold building	Leasehold property	Plant & machinery (Rs. '000s)	Furniture & fixtures	Vehicles	Office equipment	Total
Cost:								
As at July 1, 2004	18,890	185,246	862	48,259,440	22,922	52,967	6,665	48,546,992
Additions	-	1,249	-	130,296	4,473	10,274	86	146,378
Disposals	-	-	-	(6,234)	(2,121)	(6,646)	(46)	(15,047)
As at June 30, 2005	18,890	186,495	862	48,383,502	25,274	56,595	6,705	48,678,323
Depreciation:								
Rate (%)	-	3.33, 10 & 20	3.33	3.33 to 33.33	20	25	20	-
As at July 1, 2004	-	58,347	279	12,023,973	21,956	30,280	4,960	12,139,795
Charge for the year	-	5,858	29	1,633,368	623	7,267	608	1,647,753
Disposals	-	-	-	(6,008)	(2,121)	(6,396)	(46)	(14,571)
As at June 30, 2005	-	64,205	308	13,651,333	20,458	31,151	5,522	13,772,977
Net book value as at June 30, 2005	18,890	122,290	554	34,732,169	4,816	25,444	1,183	34,905,346
Net book value as at June 30, 2004	18,890	126,899	583	36,235,467	966	22,687	1,704	36,407,196
Cost of fully depreciated assets as at June 30, 2005	-	16,972	-	87,139	19,808	16,223	2,504	142,646
Cost of fully depreciated assets as at June 30, 2004	-	16,972	-	84,844	21,940	17,460	2,289	143,505

9.2 Disposal of property, plant and equipment

Assets	Cost	Accumulated depreciation (Rs. '000s)	Net book value	Sale price	Mode of disposal	Particulars of buyer
Vehicle	4,000	3,750	250	2,400	Negotiation	Muhammad Usman - Karachi
Computers	265	181	84	84	Negotiation	Vince Harris - Ex-Chief Executive
Equipments	659	528	131	133	Negotiation	Ajaz Qureshi - Karachi
Items having a net book value not exceeding Rs.50,000 each						
Vehicle	2,646	2,646	-	80	Various	Various
Computers	5,186	5,186	-	120	Various	Various
Equipments	170	159	11	26	Various	Various
Furniture & fixtures	2,121	2,121	-	71	Various	Various
Total - June 30, 2005	15,047	14,571	476	2,914		
Total - June 30, 2004	160,009	40,733	119,276	15,265		

9.3 Depreciation charge for the year has been allocated as follows:

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
Operating costs	4	1,637,851	1,641,203
General and administration expenses	6	9,902	8,633
		1,647,753	1,649,836

9.4 Office equipment and intangible assets are disclosed separately in accordance with the revised Fourth Schedule to the Ordinance.

9.5 Capital work-in-progress - Plant Betterment

Opening balance	17,210	33,662
Additions during the year	9,930	9,125
Transfers during the year	(601)	(25,577)
	26,539	17,210

10. Intangibles

	Cost as at July 1, 2004	Additions	Disposal	Cost as at June 30, 2005	Accumulated amortisation as at July 1, 2004	Charge for the year	Disposals	Accumulated amortisation as at June 30, 2005	Net Book Value as at June 30, 2005	Net Book Value as at June 30, 2004
	(Rs. '000s)									
Computer Softwares	14,420	4,343	(1,372)	17,391	6,605	4,536	(1,372)	9,769	7,622	7,816

10.1 Amortisation charge for the year at 33.33% has been allocated as follows:

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
Operating costs	4	4,379	1,086
General and administration expenses	6	157	305
		4,536	1,391

10.2 Intangible assets, previously classified under property, plant and equipment are disclosed separately in accordance with the revised Fourth Schedule to the Ordinance.

10.3 Disposal of intangible assets

Assets	Cost	Accumulated amortisation (Rs. '000s)	Net book value	Sale price	Mode of disposal	Particulars of buyer
Computer Softwares - 2005	1,372	1,372	-	-	Write off	Not Applicable
Computer Softwares - 2004	2,544	2,544	-	-	Write off	Not Applicable

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
11. LONG TERM DEPOSITS AND PREPAYMENTS			
Deposits			
Sezione Speciale per l' Assicurazione del Credito all' Esportazione of Italy (SACE) - interest bearing	11.1	-	62,630
Miscellaneous		1,584	1,699
		1,584	64,329
Cash on deposit - restricted	11.2	157,911	1,466,553
Prepayments		2,821	3,899
		162,316	1,534,781

11.1 The amount represents funds that the Company has agreed to place in a reserve account to fulfill a contractor's obligation to guarantee a debt facility not covered by the SACE insurance.

11.2 Included in these are total restricted funds of Rs.Nil (2004: Rs.1,315.240 million) held as reserves against various loan facilities.

12. DERIVATIVE FINANCIAL ASSET - (FERI) CONTRACT

Fair value of Foreign Exchange Risk Insurance - (FERI) contract		856,055	2,820,989
Current portion of FERI		(856,055)	(2,024,144)
	12.1	-	796,845

12.1 FERI scheme has been obtained from the State Bank of Pakistan (SBP), which is designated as a hedging instrument to hedge the foreign currency exchange risks of its interest bearing foreign currency loans designated as hedged items. Under this scheme, the Company is allowed to buy foreign exchange from SBP for repayment of its foreign currency loans (principal and interest) at contracted rates. The hedging relationship is considered as a fair value hedge. The fair value of the above contract has been recognised in accordance with the provisions of IAS 39 (Financial Instruments: Recognition and Measurement).

13. TRADE DEBTS - Secured

Considered good		1,444,237	1,880,401
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	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good			
Executives		232	106
Employees		163	3
Suppliers	14.1	248,878	195,945
		249,273	196,054
Deposits			
Sezione Speciale per l' Assicurazione del Credito all' Esportazione of Italy (SACE) - interest bearing	11.1	64,077	154,146
Prepayments			
Export Credit Insurance Premium		-	117,017
Guarantee fees and other loan related costs		1,458	9,890
Insurance		30,380	66,196
Miscellaneous		6,113	76,823
		37,951	269,926
Other receivables			
Interest accrued		39,768	21,674
Insurers		408,379	-
Income tax	20.5	296,872	296,872
Sales tax		272,108	279,830
Receivable from an associated company		10,597	29,064
Miscellaneous		2,734	3,305
		1,030,458	630,745
		1,381,759	1,250,871

14.1 This includes advances to Shell Pakistan Limited, an associated company, amounting to Rs.0.739 million (2004: Rs.1.073 million).

14.2 Previous year's figures for advances to employees and executives have been re-classified in accordance with the revised Fourth Schedule to the Ordinance.

15. CASH AND BANK BALANCES

Saving checking accounts	15.1	349,167	858,193
Call and term deposits	15.1	5,688,913	4,945,501
In hand		56	56
		6,038,136	5,803,750

15.1 Included in these are total restricted funds of Rs.1,330.917 million (2004: Rs.486.048 million) held as reserves against various loan facilities.

16. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2005 (No. of Shares)		2004		2005 (Rs. '000s)		2004 (Rs. '000s)	
				Authorised :			
1,200,000,000	<u>1,200,000,000</u>	Ordinary shares of Rs.10/- each		12,000,000	<u>12,000,000</u>		
				Issued, subscribed and paid-up :			
				Ordinary shares of Rs.10/- each			
818,773,317	<u>818,773,317</u>	For cash		8,187,733	<u>8,187,733</u>		
				For consideration other than cash			
338,022,463	<u>338,022,463</u>	- against project development cost		3,380,225	<u>3,380,225</u>		
358,607	<u>358,607</u>	- against land		3,586	<u>3,586</u>		
338,381,070	<u>338,381,070</u>			3,383,811	<u>3,383,811</u>		
1,157,154,387	<u>1,157,154,387</u>			11,571,544	<u>11,571,544</u>		

16.1 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 (see note 17.2). All shares carry one vote per share without restriction.

16.2 Associated companies held 346,474,928 (2004: 349,302,428) shares in the Company as at year end.

17. LONG TERM LOANS - Secured

Title/Source of loan/Other details	Interest Rate	Repayment Terms
SENIOR LOANS		
From Banks		
Senior Rupee Facility (SRF)	Mark-up rate of 8.3333 PPTD (Paisas per thousand per day) plus the SBP Discount Rate with a floor of 41.6667 PPTD and a cap of 66.6667 PPTD for the period from January 11, 2002 up to and including July 10, 2002 and thereafter 8.3333 PPTD plus the SBP Discount Rate with a floor of 41.6667 PPTD and a cap of 72.2222 PPTD.	The Marked-up Price is payable in installments established pursuant to the terms of the Senior Rupee Facility Agreement on semi-annual Payment Dates. (January 1998 to July 2005).
From Others		
Under the World Bank, Expanded Cofinancing Operation (ECO) - guaranteed loan	LIBOR plus ECO Margin (2.00% p.a. up to September 30, 2002 and 2.25% p.a. thereafter, subject to reduction by 0.25% p.a. in respect of any period immediately following a semi-annual Payment Date at which the Company is in compliance with certain debt service ratio).	The Loan is repayable in 16 equal installments on semi-annual Payment Dates. (January 1998 to July 2005)
Under the Japan Bank for International Cooperation (JBIC) - guaranteed loan; Formerly - Export- Import Bank of Japan (JEXIM)	TIBOR plus JBIC Margin (2.00% p.a. up to September 30, 2002 and 2.25% p.a. thereafter, subject to reduction by 0.25% p.a. in respect of any period immediately following a semi-annual Payment Date at which the Company is in compliance with certain debt service ratio).	Same as above.
Under the Compagnie Francaise d' Assurance pour le Commerce Exterieur of France (COFACE) - Insured loan	5.95% per annum	Same as above.
Under the Ministry of International Trade and Industry of the Government of Japan (MITI) - Insured loan	7.20% per annum	Same as above.
Under the Sezione Speciale per l' Assicurazione del Credito all' Esportazione of Italy (SACE) - Insured loan	5.95% p.a. during the subsistence of Mediocredito Interest Agreement and the sum of LIBOR and SACE Margin (1.15% p.a.) during the period the Mediocredito Interest Subsidy Agreement is not in force. The SACE Margin is subject to reduction by 0.05% p.a. in respect of any period immediately following a semi-annual Payment Date at which the Company is in compliance with certain debt service ratio.	Same as above.
CDC Group Plc of the U.K. (CDC) Loan; Formerly - Commonwealth Development Corporation	11% per annum	Same as above.
SUBORDINATED LOANS		
From Banks		
Under the Private Sector Energy Development Fund's (PSEDF) 1 Facility	14% per annum	The Loan is repayable in 30 equal installments on semi-annual Payment Dates starting from January 10, 2002.
Under the Private Sector Energy Development Fund's (PSEDF) 2 Facility	(a) until the Senior Termination Date (expected on July 10, 2005), the rate per annum which is the greater of the sum of (i) United States Treasury Bill Rate, FERI Margin and 3.00% and (ii) World Bank Lending Rate, the FERI Margin and 2.50%. (b) thereafter until the Final Termination Date (expected on July 10, 2016), the rate per annum which is the greater of the sum of (i) United States Treasury Bill Rate, FERI Margin and 4.00% and (ii) World Bank Lending Rate, the FERI Margin and 3.50%.	Same as above

Security	2005 (Rs. '000s)	2004 (Rs. '000s)
Each Senior Loan is secured pari passu by way of:	114,554	386,075
(a) a first fixed charge over each of the following, namely:		
(i) the tangible moveable property of the Company;		
(ii) the intellectual property of the Company; and		
(iii) all goodwill belonging to the Company.		
(b) a first floating charge on the whole of the Company's undertaking and assets, present and future, other than any assets for the time being effectively charged by way of fixed charge.	432,482	1,463,671
(c) an assignment of all rights, title and interest, present and future, in and to the insurances and all rights of the Company to make recovery under the insurances and all proceeds of the insurances receivable by the Company.	307,661	1,055,252
(d) mortgages over the Company's real property situated in Lasbella, Islamabad and Karachi, together with all rights of easements, privileges and licences appurtenant thereto.		
(e) an assignment of the benefit of the encumbrances and obligations arising in relation to:		
(i) the ECO Guarantee Reserve Account and all notices of assignment given pursuant thereto for the benefit of ECO Financing Parties;	149,278	505,015
(ii) the JBIC Guarantee Reserve Account and all notices of assignment given pursuant thereto for the benefit of JBIC Financing Parties;	276,730	922,289
(iii) the SACE Reserve Account and all notices of assignment given pursuant thereto for the benefit of the trustee for the SACE Facility Agent and the SACE Lenders;	640,768	2,167,750
(iv) the Rupee Mark-up Reserve Account and all notices of assignment given pursuant thereto for the benefit of the Senior Rupee Facility Agent and the Senior Rupee Facility Consortium members.		
	137,009	462,358
The PSEDF loans are secured against the same securities as the Senior Loans but on a subordinated basis to the Senior Loans.	8,266,713	8,988,822
	2,941,632	3,198,586
	13,266,827	19,149,818
Current maturity of long term loans	(3,037,544)	(5,919,157)
	10,229,283	13,230,661

17.1 Any late payment by the Company is subject to payment of interest at rates ranging between 1.5% to 3% per annum above the normal rate of interest.

17.2 The Company may not pay dividend until certain financial requirements under its debt facilities are satisfied.

17.3 Foreign currency loans include the effect of remeasuring at balance sheet date exchange rates amounting to Rs. 833.010 million (2004: Rs. 2,747.977 million).

18. DEFERRED LIABILITY	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
Staff Gratuity		4,910	13,314

Actuarial valuation was carried out as on June 30, 2004. Expense recognised in the profit and loss account and actual return on plan assets have been calculated on the basis of actuarial assumptions as stated in the last actuary report and on the basis of employee turnover during the current fiscal year. There has been no major change in the plan during the year hence actuarial assumptions from last year have been carried forward.

Reconciliation of the liability recognised in the balance sheet

Present value of defined benefit obligation		45,987	38,408
Fair value of plan assets		(31,917)	(16,707)
Unrecognised past service cost		(206)	(412)
Net actuarial losses not recognised		(8,954)	(7,975)
Net liability recognised in the balance sheet		4,910	13,314

Reconciliation of the movements during the period in the net liability recognised in the balance sheet

Opening net liability		13,314	-
Expense recognised	18.1	6,616	14,328
Contributions to the fund made during the year		(15,020)	(1,014)
Closing net liability		4,910	13,314

Expense recognised in the profit and loss account

Current service cost		4,188	2,665
Interest cost		3,073	1,632
Expected return on plan assets		(1,169)	(1,140)
Past service cost to be recognised		206	11,171
Actuarial loss to be recognised		318	-
Expense recognised in the profit and loss account		6,616	14,328

18.1 The total expense recognised is included in general and administration expenses.

Actual return on plan assets

Expected return on plan assets		1,169	1,140
Actuarial loss on plan assets		(979)	(717)
Actual return on plan assets		190	423

Significant actuarial assumptions used in the last actuarial valuation were as follows:

- Interest rate 7% per annum
- Discount factor 8% per annum
- Expected rate of increase in salary level 8% per annum

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
19. TRADE AND OTHER PAYABLES			
Creditors		-	729,487
Accrued liabilities			
Due to operation and maintenance contractor and others	19.1	16,779	34,688
Foreign Exchange Risk Insurance Fee (FERI)	19.2	44,075	150,951
Miscellaneous financing costs		26,486	27,538
Miscellaneous	19.3	211,917	124,416
		299,257	337,593
Advance payment	19.4	616,232	905,774
Unclaimed dividend		37,933	34,660
Other payables			
Income-tax deducted at source		1,609	3,507
Retention money		21,255	30,213
		22,864	33,720
		976,286	2,041,234

19.1 This represents a sum of Rs.16.779 million (2004: Rs.27.611 million) in respect of services rendered by an associated company.

19.2 This represents fee payable to the State Bank of Pakistan (SBP) under the Foreign Exchange Risk Insurance Scheme (FERI) contract in respect of senior bank loans.

19.3 This includes a sum of Rs.103.494 million (2004: Rs.32.261 million) in respect of services rendered by an associated company.

19.4 This represents Capacity Purchase Price invoiced for the succeeding month under the terms of Power Purchase Agreement (PPA).

20. COMMITMENTS AND CONTINGENCIES

20.1 The Company has entered into an Operation and Maintenance Agreement under which it is committed to pay certain fee to the Operator of the Plant. These are payable in fixed and variable portions. The fixed portion is being paid in specified amounts for each month of the operating year whereas the variable portion is payable at the agreed rate for the actual power generated per month.

20.2 The Company has entered into a Fuel Supply Agreement (FSA) under which it is committed to purchase a certain quantity of oil from Pakistan State Oil (PSO) every year.

20.3 Counter guarantees, to meet the requirements under the FSA, issued to various banks which are secured pari passu with Senior Loans amount to Rs. 2,200 million (2004: Rs.1,750 million).

20.4 Commitments in respect of capital expenditure amount to Rs. 190.958 million (2004: Rs. 348.932 million).

- 20.5 (i) The Deputy Commissioner of Income Tax (DCIT) made assessments (under section 52/86 of the Income Tax Ordinance, 1979 [ITO,79]) amounting to Rs. 1,895.666 million stating that the Company did not withhold tax at the time of issue of shares to sponsors against project development costs incurred by them. The Company deposited tax amounting to Rs. 296.872 million against the above assessments in accordance with the departmental procedures. Appeals filed by the Company before the Commissioner of Income Tax (Appeals) [the "CIT(A)"] and thereafter with the Income Tax Appellate Tribunal (the "ITAT") were decided against the Company. Against the decision of the ITAT the Company filed appeals before the Lahore High Court (the "LHC") which are pending adjudication. The LHC granted a stay of demand for the outstanding tax liability which according to the provisions of section 136 of the ITO,79 expired on August 2, 1999. However, the LHC directed the DCIT not to institute recovery measures without its permission.

Without prejudice to the appeals before the LHC, the Company has filed an application for the resolution of the matter under the Alternate Dispute Resolution (ADR) provided under section 134A of the Income Tax Ordinance, 2001 with the Central Board of Revenue (CBR). The CBR, after examining the Company's application, has appointed the Alternate Dispute Resolution Committee (ADRC) for the resolution of this matter. It is expected that the ADRC will examine and formulate its recommendation after 31st October 2005.

The management and their tax advisors are of the opinion that the eventual outcome will be in favour of the Company and the tax of Rs.296.872 million paid will become refundable.

- (ii) On the unpaid tax demands referred in (i) above, further assessment orders were issued for Rs.49.571 million (Rs.28.399 million being additional tax and Rs.21.172 million being penalty). Against these orders, the Company filed appeals before the CIT(A), who has deleted the amount of additional tax levied of Rs.28.399 million and reduced the penalty of Rs.21.172 million by Rs.6.351 million. Against the decision of the CIT(A), the Company and Income Tax Department filed further appeals before the ITAT which had upheld the decision of the CIT(A). Against this, the Company moved reference application to the ITAT to refer the issue to the LHC, which stands rejected by the ITAT. The management and their tax advisors are of the opinion that if the LHC decides the appeals against assessments made under section 52/86 of the ITO,79 in favour of the Company, the penalty would also be deleted.

Pending the resolution of the matters stated above, no provision has been made in the financial statements.

- 20.6 The Company had filed a petition on June 28, 2000 challenging the application of the Companies Profits (Workers' Participation) Act, 1968 (The Act) to the Company on the ground that since its inception the Company has not employed any persons who fall within the definition of the term "Worker" as it has been defined in the Act.

The petition was filed subsequent to the Company's receipt of the Labour, Manpower and Overseas Pakistanis' Division's letter dated March 14, 2000 directing the Company to allocate 5% of its net profit (since its establishment) towards the Workers' Profit Participation Fund and 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, 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 Power Purchase Agreement (PPA), against the Water and Power Development Authority (WAPDA) as a pro forma party.

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 petition, which incorporated all the available grounds.

Both HUBCO and WAPDA have agreed that this petition should proceed and a judgment obtained on merits. No provision has been made in these financial statements as any payment made by the Company is a pass through item under the PPA.

21. 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	2005 (Rs. '000s)	2004 (Rs. '000s)
Chief Executive			
Managerial remuneration		4,228	8,177
Bonus		449	5,741
Utilities		423	818
Retirement benefits		423	818
Other benefits		2,368	4,553
	21.1	7,891	20,107
Number of persons		1	1
Directors			
Managerial remuneration / Fees	21.2 & 21.3	7,798	5,563
Bonus		625	558
House Rent		2,162	1,943
Utilities		481	432
Retirement benefits		1,164	1,890
Other benefits		1,459	1,341
		13,689	11,727
Number of persons		4	4
Executives			
Managerial remuneration		23,224	21,411
Bonus		2,998	2,608
House rent		10,451	9,635
Utilities		2,322	2,141
Retirement benefits		7,291	12,463
Other benefits		4,718	4,493
		51,004	52,751
Number of persons		19	18
Total			
Managerial remuneration / Fees		35,250	35,151
Bonus		4,072	8,907
House rent		12,613	11,578
Utilities		3,226	3,391
Retirement benefits		8,878	15,171
Other benefits		8,545	10,387
		72,584	84,585
Number of persons		24	23

21.1 This represents remuneration charged up to December 2004 for the former Chief Executive. The current Chief Executive's remuneration package is not finalized and therefore no amount was charged in the financial statements for the period from January to June 2005.

21.2 This includes fee of Rs. 1.500 million (2004: Rs. 1.246 million) to three (2004: three) independent directors.

- 21.3 This includes technical consultancy of Rs. 1.493 million (2004: Rs. Nil) to one (2004: Nil) independent director.
- 21.4 The Chief Executive, a Director and certain Executives are provided with the use of Company maintained automobiles in accordance with the terms of their employment.
- 21.5 The number of employees at the end of the year were 44 (2004: 44).
- 21.6 The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.
- 21.7 Corresponding figures for executives have been re-classified in accordance with the revised Fourth Schedule to the Ordinance.

	Note	2005 (Rs. '000s)	2004 (Rs. '000s)
22. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS			
Amounts paid for services rendered	22.1	1,169,954	1,294,971
Reimbursement of expenses and others		1,538	1,984
Remuneration to key management personnel	22.2	24,507	36,726

22.1 These include transactions with principal shareholders of the Company under various service agreements.

22.2 Transactions with key management personnel are carried out under the terms of their employment. Key management personnel are also provided with the use of Company maintained automobiles.

22.3 The transactions with associated companies are made under normal commercial terms and conditions.

23. PLANT CAPACITY AND PRODUCTION	2005	2004
Theoretical Maximum Output	10,512 GWh	10,540 GWh
Total Output	1,975 GWh	1,647 GWh
Load Factor (Base Case 64.6%)	18.79%	15.63%

Practical maximum output for the power plant taking into account all the scheduled outages is 9,216 GWh (2004: 9,244 GWh). Output produced by the plant is dependent on the load demanded by WAPDA and the plant availability.

24. WORKING CAPITAL CHANGES	2005 (Rs. '000s)	2004 (Rs. '000s)
Decrease / (Increase) in current assets		
Inventory of fuel oil	262,734	(245,535)
Trade debts	436,164	(133,649)
Advances, deposits, prepayments and other receivables	(112,794)	(97,907)
	586,104	(477,091)
(Decrease) / Increase in current liabilities		
Trade and other payables	(1,068,220)	383,489
	(482,116)	(93,602)

24.1 Stores and spares have been reclassified from working capital changes to cash flow from investing activities (See note 29.1)

	Note	2005	2004
25. BASIC AND DILUTED EARNINGS PER SHARE			
25.1 Basic			
Net profit for the year (Rupees in thousand)		5,385,449	5,462,964
Number of shares in issue during the year	16	1,157,154,387	1,157,154,387
Basic earnings per share (Rupees)		4.65	4.72

25.2 There is no dilutive effect on the earnings per share of the Company.

26. PROPOSED FINAL DIVIDEND

The Board of Directors proposed a final dividend for the year ended June 30, 2005 of Rs. 2.60 per share, amounting to Rs. 3,008.601 million, at their meeting held on September 1, 2005, for approval of the members at the Annual General Meeting to be held on October 19, 2005. These financial statements do not reflect this dividend payable as explained in note 2.3 to the financial statements.

27. FINANCIAL INSTRUMENTS

These comprise deposits, receivables, advances, cash, loans and certain other assets and liabilities.

(a) Financial Assets

The financial assets of the Company amount to Rs. 9,023.478 million (2004: Rs.12,244.211 million) of which Rs. 6,260.068 million (2004: Rs.7,487.023 million) are interest bearing and subject to interest rate risk. These include amounts held as reserve for debt service of various loan facilities and amounts held with banks.

	Interest Rate	Interest Bearing			Non Interest Bearing			Total
		Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	
	%	(Rs. '000s)						
Year ended June 30, 2005								
Deposits	1.750	64,077	-	64,077	-	1,584	1,584	65,661
Cash on deposit - restricted	0.75 - 4.27	-	157,911	157,911	-	-	-	157,911
Trade debts	-	-	-	-	1,444,237	-	1,444,237	1,444,237
Other receivables	-	-	-	-	461,478	-	461,478	461,478
Fair value of Derivative Financial Asset - FERI contract	-	-	-	-	856,055	-	856,055	856,055
Cash and bank balances	0.001 - 7.800	6,038,080	-	6,038,080	56	-	56	6,038,136
Total		6,102,157	157,911	6,260,068	2,761,826	1,584	2,763,410	9,023,478
Year ended June 30, 2004								
Deposits	1.750	154,146	62,630	216,776	-	1,699	1,699	218,475
Cash on deposit - restricted	0.001 - 3.000	-	1,466,553	1,466,553	-	-	-	1,466,553
Trade debts	-	-	-	-	1,880,401	-	1,880,401	1,880,401
Other receivables	-	-	-	-	54,043	-	54,043	54,043
Fair value of Derivative Financial Asset - FERI contract	-	-	-	-	2,024,144	796,845	2,820,989	2,820,989
Cash and bank balances	0.001 - 3.500	5,803,694	-	5,803,694	56	-	56	5,803,750
Total		5,957,840	1,529,183	7,487,023	3,958,644	798,544	4,757,188	12,244,211

Currency Risk

Currency Risk is the risk that the value of a financial asset will fluctuate due to changes in foreign exchange rates.

Interest bearing financial assets of the Company include Rs.848.015 million (2004: Rs.1,238.419 million) in foreign currencies which are subject to currency risk exposure.

Credit Risk and Concentration of Credit Risk

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk indicates relative sensitivity of a company's performance to developments affecting a particular industry.

The financial assets exposed to credit risks amount to Rs. 1,907,299 million (2004: Rs.1,936.143 million) out of which trade debts in the amount of Rs. 1,444,237 million (2004: Rs.1,880,401 million) are mitigated by a guarantee from the Government of Pakistan under the Implementation Agreement (IA).

(b) Financial Liabilities

The financial liabilities of the Company amount to Rs. 14,341.173 million (2004: Rs. 21,215.869 million) out of which Rs. 13,266.827 million (2004: Rs. 19,149.818 million) are interest bearing, which represent loans in both local currency and foreign currencies.

	Interest Bearing			Non Interest Bearing			Total
	Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	
	(Rs. '000s)						
Year ended June 30, 2005							
Long term loans	3,037,544	10,229,283	13,266,827	-	-	-	13,266,827
Trade and other payables	-	-	-	358,446	-	358,446	358,446
Interest / mark-up accrued on long term loans	-	-	-	715,900	-	715,900	715,900
Total	3,037,544	10,229,283	13,266,827	1,074,346	-	1,074,346	14,341,173
Year ended June 30, 2004							
Long term loans	5,919,157	13,230,661	19,149,818	-	-	-	19,149,818
Trade and other payables	-	-	-	1,131,953	-	1,131,953	1,131,953
Interest / mark-up accrued on long term loans	-	-	-	934,098	-	934,098	934,098
Total	5,919,157	13,230,661	19,149,818	2,066,051	-	2,066,051	21,215,869

Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

Interest / mark-up bearing financial liabilities of the Company include Rs. 9,585.052 million (2004: Rs. 13,432.309 million) subject to fixed interest rate and Rs. 3,681.775 million (2004: Rs. 5,717.509 million) subject to floating interest rates. The floating rate liabilities comprise bank borrowings bearing interest rate fixed in advance for stipulated time period by reference to LIBOR or TIBOR.

At June 30, 2005, the interest rates on interest bearing financial liabilities are disclosed in note 17 to the financial statements.

Currency Risk

Currency Risk is the risk that the value of financial liabilities will fluctuate due to changes in foreign exchange rates.

The loans and the interest accrued thereon payable by the Company in foreign currencies are covered under the Foreign Exchange Risk Insurance (FERI) Scheme provided by the State Bank of Pakistan.

(c) Fair value of Financial Instruments

Assets

(i) Short term

Fair value of all short term financial assets approximates to the carrying value because of their short term maturity.

(ii) Long term

	June 30, 2005		June 30, 2004	
	Book Value (Rs. '000s)	Fair Value (Rs. '000s)	Book Value (Rs. '000s)	Fair Value (Rs. '000s)
Deposits	1,584	1,584	64,329	64,329
Cash on deposit - restricted	157,911	157,911	1,466,553	1,466,553
Total	159,495	159,495	1,530,882	1,530,882

Fair value of financial assets equals to their carrying value because they are earning interest based on market rates.

Liabilities

(i) Short term

Fair value of current maturity of long term loans and interest accrued thereon equals to their carrying value because of remeasurement at the balance sheet date exchange rates. Fair value of all other financial liabilities approximate to their carrying values because of their short term maturity.

(ii) Long term

	June 30, 2005		June 30, 2004	
	Book Value (Rs. '000s)	Fair Value (Rs. '000s)	Book Value (Rs. '000s)	Fair Value (Rs. '000s)
Long terms loans	10,229,283	10,229,283	13,230,661	13,230,661

28. DATE OF AUTHORISATION

These financial statements were authorised for issue on September 1, 2005 in accordance with the resolution of the Board of Directors.

29. CORRESPONDING FIGURES

29.1 Stores and spares have been reclassified from current assets to non-current assets for appropriate presentation and accordingly the previous year's figures have also been reclassified.

29.2 Previous year's figures have been rearranged and reclassified wherever necessary for the purpose of comparison. Major changes made during the year resulting from the substituted Fourth schedule to the Ordinance are disclosed in the respective notes.

30. GENERAL

Figures have been rounded off to the nearest thousand rupees.

M. Ashraf Tumbi
Chief Executive

S. Nizam A. Shah
Director

Pattern of Shareholding

AS ON JUNE 30, 2005

Number of Shares		Number of Shareholders	Number of Shares Held
From	To		
1	100	190	16,993
101	500	7,280	3,605,048
501	1000	2,264	2,181,008
1001	5000	3,853	11,964,891
5001	10000	1,414	11,717,042
10001	15000	566	7,409,027
15001	20000	404	7,537,787
20001	25000	273	6,412,696
25001	30000	194	5,573,734
30001	35000	119	3,989,926
35001	40000	115	4,454,430
40001	45000	71	3,060,925
45001	50000	166	8,162,200
50001	55000	57	3,035,700
55001	60000	46	2,728,508
60001	65000	46	2,919,915
65001	70000	33	2,276,300
70001	75000	40	2,968,000
75001	80000	23	1,808,900
80001	85000	27	2,255,425
85001	90000	18	1,594,000
90001	95000	6	554,000
95001	100000	97	9,681,300
100001	105000	20	2,067,900
105001	110000	24	2,613,500
110001	115000	12	1,367,000
115001	120000	16	1,889,300
120001	125000	15	1,859,133
125001	130000	14	1,793,771
130001	135000	14	1,869,400
135001	140000	10	1,380,170
140001	145000	6	866,326
145001	150000	17	2,542,500
150001	155000	8	1,227,200
155001	160000	6	958,500
160001	165000	7	1,140,000
165001	170000	2	333,200
170001	175000	7	1,219,000
175001	180000	13	2,317,500
180001	185000	6	1,096,100
185001	190000	2	374,500
190001	195000	1	195,000
195001	200000	35	7,000,000
200001	205000	3	607,300
205001	210000	3	623,674
210001	215000	4	851,500
215001	220000	4	867,000
220001	225000	3	673,500
225001	230000	4	919,000
230001	235000	2	470,000
235001	240000	5	1,192,500
240001	245000	4	967,500
245001	250000	11	2,750,000
250001	255000	1	255,000

Number of Shares		Number of Shareholders	Number of Shares Held
From	To		
255001	260000	2	516,000
260001	265000	1	265,000
265001	270000	2	540,000
270001	275000	4	1,098,000
275001	280000	3	837,500
280001	285000	3	852,500
285001	290000	2	580,000
290001	295000	1	290,500
295001	300000	11	3,300,000
300001	305000	2	603,000
305001	310000	3	929,000
310001	315000	3	939,000
315001	320000	1	317,000
320001	325000	6	1,938,000
325001	330000	2	656,000
330001	335000	8	2,663,000
340001	345000	2	688,000
345001	350000	2	700,000
350001	355000	1	355,000
355001	360000	3	1,074,207
360001	365000	3	1,087,329
370001	375000	1	373,000
375001	380000	1	380,000
385001	390000	3	1,165,500
390001	395000	1	391,000
395001	400000	10	3,994,500
400001	405000	2	810,000
405001	410000	2	811,500
410001	415000	3	1,241,000
420001	425000	1	423,000
425001	430000	2	859,500
430001	435000	2	864,500
440001	445000	1	443,000
445001	450000	3	1,350,000
450001	455000	1	450,200
455001	460000	1	457,700
465001	470000	2	940,000
485001	490000	1	490,000
490001	495000	1	492,000
495001	500000	12	5,996,000
510001	515000	2	1,024,000
515001	520000	1	519,000
520001	525000	2	1,050,000
530001	535000	2	1,067,500
535001	540000	2	1,075,500
540001	545000	2	1,087,000
545001	550000	3	1,646,800
550001	555000	1	554,000
555001	560000	1	556,839
570001	575000	2	1,145,500
580001	585000	1	580,500
590001	595000	1	594,000
595001	600000	3	1,800,000
620001	625000	1	625,000
625001	630000	1	630,000
630001	635000	1	634,500
635001	640000	1	639,000
640001	645000	1	645,000
645001	650000	1	650,000
660001	665000	1	661,500
675001	680000	1	680,000
680001	685000	1	684,000
695001	700000	3	2,100,000

Number of Shares		Number of Shareholders	Number of Shares Held
From	To		
740001	745000	1	742,500
745001	750000	2	1,500,000
750001	755000	1	755,000
760001	765000	1	765,000
790001	795000	2	1,585,500
795001	800000	4	3,200,000
800001	805000	1	800,800
815001	820000	2	1,634,000
820001	825000	2	1,649,500
835001	840000	1	840,000
845001	850000	1	847,000
860001	865000	2	1,722,500
880001	885000	1	884,000
930001	935000	1	935,000
935001	940000	1	940,000
945001	950000	1	950,000
995001	1000000	2	1,998,500
1000001	1005000	1	1,003,500
1025001	1030000	2	2,060,000
1035001	1040000	1	1,040,000
1050001	1055000	1	1,051,000
1060001	1065000	2	2,122,000
1080001	1085000	1	1,083,500
1090001	1095000	1	1,095,000
1105001	1110000	1	1,110,000
1125001	1130000	1	1,129,500
1130001	1135000	1	1,131,000
1140001	1145000	1	1,142,000
1185001	1190000	2	2,373,000
1190001	1195000	1	1,195,000
1195001	1200000	1	1,200,000
1210001	1215000	1	1,214,000
1245001	1250000	3	3,748,500
1295001	1300000	1	1,300,000
1385001	1390000	1	1,389,106
1395001	1400000	2	2,800,000
1470001	1475000	1	1,473,000
1485001	1490000	1	1,487,000
1495001	1500000	2	3,000,000
1545001	1550000	1	1,546,500
1565001	1570000	1	1,570,000
1595001	1600000	2	3,197,500
1600001	1605000	1	1,601,000
1755001	1760000	1	1,759,000
1840001	1845000	1	1,842,500
1890001	1895000	1	1,894,500
1895001	1900000	1	1,900,000
1995001	2000000	2	4,000,000
2075001	2080000	1	2,075,400
2095001	2100000	1	2,098,500
2100001	2105000	1	2,102,717
2145001	2150000	1	2,150,000
2175001	2180000	1	2,180,000
2320001	2325000	1	2,325,000
2335001	2340000	1	2,337,500
2495001	2500000	1	2,500,000
2550001	2555000	1	2,552,000
2785001	2790000	1	2,786,500
2845001	2850000	2	5,700,000
2975001	2980000	1	2,975,700
2985001	2990000	1	2,988,500
3080001	3085000	1	3,085,000
3095001	3100000	1	3,100,000

Number of Shares		Number of Shareholders	Number of Shares Held
From	To		
3145001	3150000	1	3,150,000
3170001	3175000	1	3,170,500
3215001	3220000	1	3,220,000
3415001	3420000	1	3,419,500
3590001	3595000	1	3,592,616
3800001	3805000	1	3,805,000
4045001	4050000	1	4,047,000
4205001	4210000	1	4,209,000
4220001	4225000	1	4,221,025
4280001	4285000	1	4,282,500
4300001	4305000	1	4,300,500
4450001	4455000	1	4,451,000
4560001	4565000	1	4,564,500
4565001	4570000	1	4,565,500
4595001	4600000	1	4,598,000
4845001	4850000	1	4,847,000
5145001	5150000	1	5,150,000
5245001	5250000	1	5,250,000
5495001	5500000	1	5,500,000
6160001	6165000	1	6,163,000
6220001	6225000	1	6,221,000
6495001	6500000	1	6,500,000
7500001	7505000	1	7,504,000
7560001	7565000	1	7,560,050
7775001	7780000	1	7,780,000
8765001	8770000	1	8,767,000
8870001	8875000	1	8,872,000
10125001	10130000	1	10,129,000
12295001	12300000	1	12,300,000
14055001	14060000	1	14,056,500
14385001	14390000	1	14,389,786
17655001	17660000	1	17,659,000
19645001	19650000	1	19,650,000
20430001	20435000	1	20,432,459
21245001	21250000	1	21,248,016
26765001	26770000	1	26,769,500
37345001	37350000	1	37,348,500
38400001	38405000	1	38,400,400
53015001	53020000	1	53,016,500
79915001	79920000	1	79,918,866
140280001	140285000	1	140,280,633
181670001	181675000	1	181,674,509
	Total	17,855	1,157,154,387

Categories of Shareholding

AS ON JUNE 30, 2005

Sr. No.	Categories	No. of Shareholders	No. of Shares held	Percentage
1.	Individuals	17,575	350,167,859	30.26
2.	Joint Stock Companies	141	405,342,894	35.03
3.	Financial Institutions	64	214,259,861	18.52
4.	Investment Companies	34	61,429,000	5.31
5.	Insurance Companies	19	35,687,700	3.08
6.	Modaraba & Leasing Companies	20	9,989,600	0.86
7.	Government of Balochistan	1	358,607	0.03
8.	GDR Depository	1	79,918,866	6.91
		17,855	1,157,154,387	100.00

The above two statements include 10,399 shareholders holding 686,670,422 shares through the Central Depository Company of Pakistan Limited (CDC).

Details of Associated Companies, Undertakings and related parties are given below

Associated Companies, undertakings and related parties (name wise details)

1- National Power International Holdings BV	191,803,509
2- Xenel Industries Limited	140,280,633
3- Hub Power Japan Corporation	14,389,786
4- Jahangir Siddiqui & Co. Ltd	1,000

NIT & ICP (Name wise details)

Investment Corporation of Pakistan (ICP)	2,076,500
National Investment Trust (NIT)	40,400,400

**Directors, CEO and their spouse and minor children
(Name Wise details)**

Mr. S. N. A. Shah	500
Mr. Taufique Habib	9,000
Mr. Najam Farooqui	7,000
Mr. S. Khalid Masood	29,600

Executives

Mr. S. Khalid Masood	29,600
Ms. Huma Pasha	21,700
Mr. S. Hasnain Haider	3,000
Mr. Salim Mehfooz	25,200
Mr. M. Aamir Siddiqui	1,100
Mr. M. Iqbal Shivani	10,000
Mr. Mohsin Maqsood	1,300
Mr. Musharraf Hussain	2,000
Mr. S. Raees Ahmed	1,400
Mr. Habibullah Khan	2,000

Public Sector Companies & Corporations

Employee's Old age Benefits Institutions	19,650,000
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**Banks, Development Finance Institutions, Non-Banking Finance Institutions
Modarabas, Mutual Funds and Insurance Companies**

Banks, Financial Institutions & Non-Banking Finance Institutions

Abu Dhabi Investment Authority	1,389,106
Al Baraka Islamic Bank - Lahore Branch	100,000
Allied Bank Limited	100,000
Askari Commercial Bank Limited	200,000
Atlas Investment Bank Limited	1,339,000
Bank Al Habib Limited	1,597,500
Bank Alfalah Limited	2,089,000
Bear Stearns Securities Corporation	5,000
Brown Brothers Harriman & Co.	191,500
Challenge Funds	122,633
Cmb As Trustee-Gm Employee Ggp Trust	309,000
Credit Agricole Investor Svs Bk Lux	443,000
Credit Suisse Singapore	80,000
Crescent Commercial Bank Limited	580,500
Crescent Standard Investment Bank Ltd.	108,500
Dawood Bank Limited	3,805,000
Dawood Leasing Company Limited	5,000
DB London PB-QVT Financial LP	2,988,500
Equity International (Pvt) Ltd.	75,000
Escorts Investment Bank Ltd.	935,000
Faysal Bank Limited	2,552,000
First Credit & Discount Corporation Ltd.	817,500
First Dawood Investment Bank	360,500

First International Investment Bank Ltd.	100,000
First Women Bank Ltd.	15,000
Habib Bank AG Zurich, London	4,209,000
Habib Bank AG Zurich, Switzerland	7,560,050
Habib Bank Limited-Treasury Division	17,659,000
Habibsons Bank Limited	4,282,500
Indus Bank Limited	594,000
International Housing Finance Limited	7,500
Investment Corporation of Pakistan	2,076,500
Investors Bank & Trust Co.	2,102,717
Jahangir Siddiqui Investment Bank Ltd.	1,060,500
Meezan Bank Limited	1,894,500
Mellon Bank, N. A.	2,337,500
Merrill Lynch Pierce Fenner & Smith Inc.	4,451,000
Metropolitan Bank Limited	1,110,000
Morgan Stanley & Co. Inc.	2,794,439
Muslim Commercial Bank Limited, Treasury	26,769,500
Mybank Limited	341,500
National Power Int'l Holding B.V.	10,129,000
National Bank of Pakistan	10,589,000
National Bank Of Pakistan, Trustee Deptt.	38,400,400
National Dev. Finance Corp. (Investor)	1,800
National Investment Trust Limited	2,000,000
NDLC-IFIC Bank Limited	4,781,000
Pak Libya Holding Company (Pvt.) Limited	3,150,000
PICIC	10,872,000
PICIC Commercial Bank Limited	8,180,000
Pictet & Cie	4,047,000
Prime Commercial Bank Limited	884,500
Saudi Pak Commercial Bank Ltd.	800,000
Saudi Pak Ind.& Agri. Inv. Co. (Pvt) Ltd.	8,767,000
SME Bank Limited	107,000
Soneri Bank Limited	639,000
State Street Bank and Trust Co.	3,594,116
Stichting Pensioenfonds Pggm	406,000
Stock Street (Pvt) Limited	16,500
The Bank of Khyber	200,000
The Bank of New York	1,473,000
The Northern Trust Company	114,100
Union Bank Limited	400,000
United Bank Limited - Trading Portfolio	5,150,000
ABT Holdings Ltd.	5,250,000
Al-Hamra (Pvt) Ltd.	8,000
Eddie Company (Pvt) Ltd.	40,000
First Dawood Investment Bank Ltd.	125,000
Legal and General Assurance Society Ltd.	176,500
Lighthouse Development Corporation	25,000
Merrill Lynch International	25,000
Millennium Securities & Investment (Pvt.) Ltd.	1,003,500
Pak-Oman Investment Company Ltd.	200,000
Ro Limited	150,000
Safra Co. Ltd.	550,000
Security Investment Bank Limited	332,000
Shirazi Investments (Pvt.) Ltd.	1,629,500
VSL Securities (Pvt.) Ltd.	9,500
Leasing & Modarabas	
Crescent Leasing Corporation Ltd.	1,061,500
Dawood Leasing Company Limited	45,000
First Dawood Investment Bank Ltd.	30,000
Network Leasing Corporation Ltd.	30,000
Pak Industrial & Commercial Leasing Ltd.	45,000
Saudi Pak Leasing Company Limited	4,847,000
Security Leasing Corporation Limited	2,150,000
Trust Leasing Corporation Ltd.	50,000
Universal Leasing Corp. Limited	542,000
B.F. Modaraba	100,000
B.R.R. International Modaraba	110,000

First Alnoor Modaraba	125,000
First Elite Capital Modaraba	16,000
First Habib Bank Modaraba	250,000
First Mehran Modaraba	20,000
First National Bank Modaraba	200,000
First Prudential Modaraba	20,000
Gaurdian Modaraba	225,100
Modaraba Al-Mali	38,000
Trust Modaraba	85,000
BSJS Balanced Fund Ltd.	2,850,000

Mutual Funds

CDC - Trustee Abamco Capital Fund	4,564,500
CDC -Trustee Abamco Composite Fund	6,163,000
CDC -Trustee Abamco Growth Fund	1,400,000
CDC -Trustee Abamco Stock Market Fund	1,500,000
CDC -Trustee Atlas Fund of Funds	470,000
CDC -Trustee Atlas Income Fund	2,786,500
CDC -Trustee Atlas Stock Market Fund	200,000
CDC -Trustee First Dawood Mutual Fund	25,000
CDC -Trustee Pakistan Income Fund	109,000
CDC -Trustee Pakistan Stock Market Fund	1,570,000
CDC -Trustee Picic Growth Fund	4,598,000
CDC -Trustee Picic Investment Fund	12,300,000
CDC -Trustee Unit Trust of Pakistan	6,500,000
CDC -Trustee United Money Market Fund	1,003,500
CDC -Trustee United Regular Income Fund	100,000
CDC -Trustee UTP Islamic Fund	3,220,000
Golden Arrow Selected Stocks Fund Ltd.	405,500
Safeway Mutual Fund Ltd.	1,300,000
Trustee-Crosby Dragon Fund	840,000

Insurance Companies

Adamjee Insurance Company Limited	2,207,500
Askari General Insurance Co. Ltd.	40,000
Business & Industrial Ins. Co. Ltd.	4,000
Century Insurance Company Limited	236,000
EFU General Insurance Limited	500,000
EFU Life Assurance Ltd.	2,180,000
Excel Insurance Co. Ltd.	380,000
International General Insurance Co. of Pak Ltd.	180,000
Muslim Insurance Company Limited	645,000
National Insurance Company Limited	6,221,000
New Hampshire Insurance Co.	225,000
New Jubilee Insurance Company Limited	3,875,000
Pakistan Reinsurance Company Limited	400,000
Reliance Insurance Company Ltd.	100,000
Security General Insurance Co. Ltd.	600,000
Shaheen Insurance Co. Ltd.	187,000
State Life Insurance Corp. of Pakistan	17,032,200
The Crescent Star Insurance Co. Ltd.	500,000
The Premier Insurance Co. of Pakistan Ltd.	175,000

Shareholders holding ten percent or more voting interest in Listed companies (name wise details)

Xenel Industriels Ltd.	140,280,633	12.12%
National Power International Holdings BV	191,803,509	16.58%
Central Depository Company of Pakistan (As Depository)	686,670,422	59.34%

Details of trading in the shares by the Directors, CEO, CFO Company Secretary and their spouses and minor children

None of the Directors, CEO, CFO, & Company Secretary and their spouses and minor children has traded the shares in the Company during the period under review.

Shareholders' Information

Shareholders' Enquiries

General enquiries relating to the Company should be addressed to:

The Company Secretary,
The Hub Power Company Limited,
3rd Floor, Islamic Chamber Building,
ST-2/A, Block 9, Clifton,
P. O .Box No. 13841, Karachi.

Enquiries relating to Shares should be addressed to:

Ford Rhodes Sidat Hyder & Co.,
Registrars of The Hub Power Company Limited,
First Floor, Finlay House
I I Chundrigar Road,
Karachi.

Enquiries relating to GDRs should be addressed to either:-

- (1) Bank of New York,
ADR Division,
101 Barclay Street,
22, West New York,
NY 12086, U. S. A.

- (2) Standard Chartered Bank Limited,
I. I. Chundrigar Road,
Karachi.

PROXY FORM

The Company Secretary,
The Hub Power Company Limited,
3rd Floor, Islamic Chamber of Commerce Building,
ST-2/A, Block-9, Clifton, P.O. Box No. 13841,
Karachi-75600.

I/We _____
of _____ in the district 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
I.D. No. _____ and Sub-Account No. _____ hereby appoint
_____ of _____ or failing him/her _____
as my / our proxy to vote for me & on my / our behalf at the 14th Annual General Meeting of the
Company to be held at Marriott Hotel, Islamabad on October 19, 2005 at 11.30 AM and at any adjournment
thereof.

Signature on
Revenue Stamp
of Rs.5/-

Signature of Shareholder _____
Name of Shareholder _____
Folio No. / CDC No. _____

WITNESSES:

(1) Signature _____
Name _____
Address _____

NIC or Passport No. _____

(2) Signature _____
Name _____
Address _____

NIC or Passport No. _____

NOTES:

- A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote 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 3rd Floor, Islamic Chamber Building, ST-2/A, Block 9, Clifton, Karachi 75600 so as to reach not less than 48 hours before the time appointed for holding the Meeting.
- **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 NIC / Passport numbers shall be stated on the form.
 - (ii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (iii) The proxy shall produce his original NIC or original passport at the time of the meeting.
 - (iv) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall 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,
3rd Floor, Islamic Chamber of Commerce Building,
ST-2/A, Block-9, Clifton, P.O. Box No. 13841,
Karachi-75600.

THE HUB POWER COMPANY LTD.

3rd Floor, Islamic Chamber Building, ST-2/A, Block -9,
Clifton, P.O. Box No. 13841, Karachi-75600, Pakistan.
Tel: (021) 587 4677 (10 Lines) Fax: (021) 587 0397
<http://www.hubpower.com>