

Directors' Report - FPCL

On behalf of the Board of Directors, I am pleased to present 1st Annual Report along with audited Financial Statements of the Company and the Auditors' report thereon for the year ended December 31, 2014.

The Company and its Operations

FFBL Power Company Limited ("the Company") is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984. The registered office of the Company is situated at 73 Harley Street, Rawalpindi. The principal activity of the Company is generation and supply of electricity and all other forms of energy. However, the Company has not started its commercial operations. The Company is a wholly owned subsidiary of Fauji Fertilizer Bin Qasim Limited.

Financial Highlights

The Company reported net loss after taxation of Rs 21.04 million for the period ended December 31, 2014 mainly due to non-commencement of commercial operations.

Property and equipment mainly comprises of Capital Work in Progress of Rs 1.31 billion and other assets that include computers and furniture of Rs 8.8 million. Current liabilities comprise of audit fee payable of Rs. 230 thousand, while current assets include Rs. 12.9 million on account of stores items, bank balance of Rs. 599 thousand, prepayments of Rs. 70 thousand and Rs 3 thousand on account of advance tax.

Holding Company

FFBL Power Company Limited is a wholly owned subsidiary of Fauji Fertilizer Bin Qasim Limited. The registered office of the Company is situated at Rawalpindi, Pakistan.

Pattern of Shareholding

The pattern of Shareholding as on December 31, 2014 is as following:

Pattern of Shareholding	Number of Shares
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1. Holding Company and Related Parties

Fauji Fertilizer Bin Qasim Limited	99,991
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2. Directors, CEO, their spouses and minor children

Lt Gen Muhammad Mustafa Khan, HI (M) (Retd)	1
Lt Gen Muhammad Haroon Aslam, HI (M), Sbt, (Retd)	1
Lt Gen Naeem Khalid Lodhi, HI (M), (Retd)	1
Mr Qaiser Javed	1
Dr Nadeem Inayat	1
Brig Dr Gulfam Alam (Retd)	1
Maj Gen Syed Jamal Shahid (Retd)	1
Syed Aamir Ahsan	1
Mokarram Mirza	1

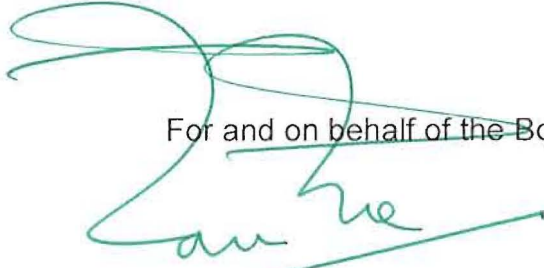
Future Outlook and Strategy

The Company has planned to set up a 118 MW coal-fired cogeneration power plant to sell power to Karachi Electric Supply Corporation and sell power and steam to Fauji Fertilizer Bin Qasim Limited fertilizer plant.

Acknowledgment

The management has all the confidence in the future and with high investment potential opportunities in the energy sectors we believe that by increasing the investment base we expect to achieve profitability that will have a positive impact on the national economy.

On behalf of the Board, I would like to acknowledge with thanks the efforts and contributions made by the management staff, employees, regulatory authorities and various government functionaries.

A handwritten signature in green ink, appearing to read 'Khan', written over a horizontal line.

For and on behalf of the Board

Lt Gen Khalid Nawaz Khan, HI (M), (Retd)
Chairman