

## FFBL Power Company Limited Directors' Report

The Board of Directors is pleased to present the report for the year ended December 31, 2016.

FFBL Power Company Limited's generation facility of 118 MW is on track for achieving commercial operations in first quarter of year 2017. Engineering and procurement activities are completed and construction work is approaching completion as well. Testing and commissioning of equipment have started and major commissioning milestones have achieved to date which are fully functional. Further, the necessary interconnections with FFBL to support the commissioning and start-up activities of the project have been constructed and commissioned. FPCL is close to completion of its hiring process for the plant operation, maintenance, and administration departments since the project company will operate the plant itself without outsourcing its O&M activities.

The Company has incurred a pre-commercial loss amounts to Rs. 52.938 million during the reporting period, while a profit of Rs. 139.822 million has been earned on bank deposits and short term investments.

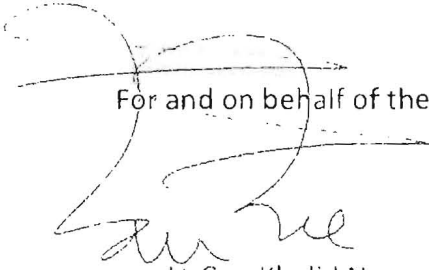
Additions in capital work in progress of Rs. 12,406.68 million consist mainly of payments for the purchase of machinery and equipment for the project. Current assets include Rs. 486.777 million on account of stock-in-trade (Coal), Rs. 116.536 on account of income tax refundable, Rs. 15.05 million represents short term advances mainly to the suppliers, Rs. 5.844 million on account of prepayments, Rs. 445.161 million on account of Sales Tax Refundable, Rs. 347.017 million on account of margin against letter of credit, Rs. 2.707 million on account of interest receivable and, Rs. 18.057 million on account of other

receivable of which net-receivable from Descon amounts to Rs. 17.129 million. Further Cash and cash equivalents of Rs. 499.417 millions are held in Bank Accounts and Rs. 2,635 million held as short term deposits.

The Company has received total disbursement of Rs. 21,569.34 million under Project finance facilities during the period. This disbursement constitutes 98.66% of the total finance facility of Rs. 21,862 million.

The Board acknowledges and appreciates the contributions made by all stakeholders in the execution of the project.

For and on behalf of the Board

  
Lt Gen Khalid Nawaz Khan,  
HI-(M), Sitara-i-Esar, (Retd)  
Chairman