

# **FFBL Power Company Limited**

## **Directors' Report**

The Board of Directors is pleased to present the half yearly report for the six month period ended June 30, 2016.

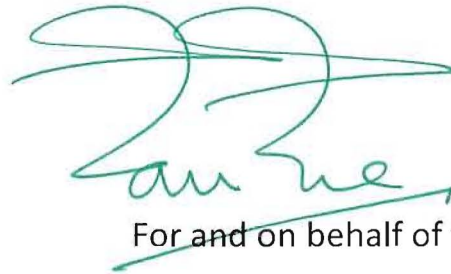
FFBL Power Company was incorporated in 2014 to deliver a dependable power source in view of the strained energy resources of the country. The Company is establishing a Coal Power Plant (CPP) in FFBL fertilizer complex in Karachi with a generation capacity of 118 MW. The plant aims to provide a substitute to the existing natural gas fuel based system by ensuring uninterrupted supply of power and steam. The generated power will be used for existing fertilizer complex as well as exported to K-Electric.

The Company has incurred a pre-commercial period loss of Rs. 21.055 million in the six months period from January to June 2016, while a profit of Rs. 64.750 million has been earned on bank deposits. Additions in capital work in progress of Rs. 6.552 million consist of payments for the purchase of machinery and equipment for the project. Current assets include Rs. 23.977 million advances to suppliers and cash and cash equivalents of Rs. 5,220 million.

The Company has received its first disbursement of Rs. 13,143 million under Project finance facilities during the latter period of the half year ended June 30, 2016. This disbursement constitutes 61.62% of the total finance facility of Rs. 21,862 million.

The project is progressing as per plan with initiation of commercial operations expected during the first quarter of 2017. The Company has received its first coal consignment of South African coal during the last week of June, 2016. The coal will be consumed for testing and commissioning of the facility.

The Company remains committed to deliver the project on time and we look forward to continued support from all our stakeholders. We would like to acknowledge and appreciate the contributions made by the management staff, employees, regulatory authorities, financial institutions and various government functionaries.

A handwritten signature in green ink, appearing to read 'Laurie', is written over a horizontal line. The signature is stylized and cursive.

For and on behalf of the Board

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