

# FFBL Power Company Limited

## Directors' Report

The Board of Directors is pleased to present a brief overview of the operational and financial highlights of the company for the Quarter ended March 31, 2016.

### Our Performance

FFBL Power Company Limited was incorporated to overcome the energy crises in future by installing Coal Power Plant (CPP) project with power generation capacity of 118 MW within FFBL Fertilizer complex as a substitute of Natural gas fuel based system. The power generated will be used for existing fertilizer complex as well as for export to K Electric. The project construction activities are progressing as per schedule and mechanical completion is expected by end of July 2016. The project is planned to start its Commercial Operation during the first quarter of 2017.

### Financial Highlights

Since no commercial activity is in place, the profit and loss account of the Company shows loss before taxation of Rs. 3.9 million along with the profit of Rs. 36.7 million on bank deposits which has been netted off with borrowing cost.

Additions in capital work in progress of Rs. 3,895 million consist of payments for the purchase of equipment and expenditures incurred on the project during the period. Current assets include Rs. 9 million advances to suppliers and cash and cash equivalents of Rs. 1,929 million.

The Company has achieved financial closing and is vigorously pursuing to obtain disbursements under syndicate Project financing.

### Future Outlook and Strategy

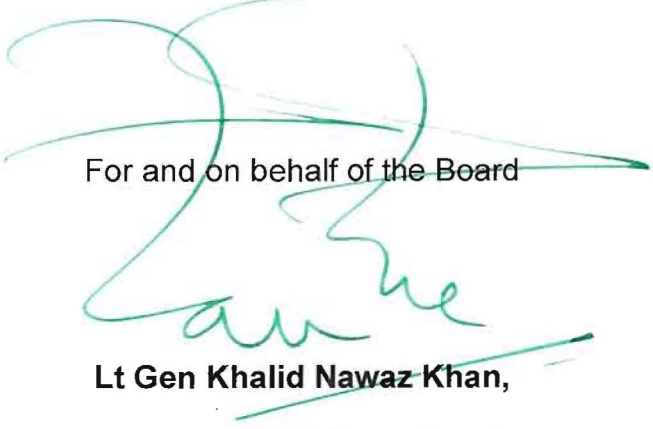
The Company is in process of setting up a 118 MW coal-fired cogeneration power plant to sell power to Karachi Electric Supply Corporation and sell power and steam to Fauji Fertilizer Bin Qasim Limited fertilizer plant.

Presently, the Company is managing its cash flow by arranging the bridge finance facility from various banks.

The Company is expecting disbursement under Project Financing by the 3<sup>rd</sup> week of April 2016.

### **Acknowledgment**

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



For and on behalf of the Board

**Lt Gen Khalid Nawaz Khan,**

**HI (M), Sitara-i-Esar, (Retd)**

**Chairman**