

# **FFBL Power Company Limited**

## **Directors' Report**

The Board of Directors is pleased to present the report for the nine monthly period ended September 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 loss amounts to Rs. 44.409 million during the nine months reporting period from January to September 2016, while a profit of Rs. 106.242 million has been earned on bank deposits and short term investments.

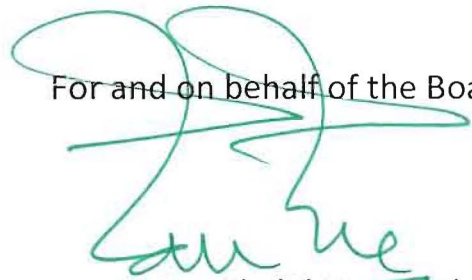
Additions in capital work in progress of Rs. 9,356.464 million consist of payments for the purchase of machinery and equipment for the project. Current assets include Rs. 1.937 million on account of prepayments, Rs. 98.476 million on account of advance tax recoverable, Rs. 412.894 million on account of Sales Tax Refundable and Rs. 22.705 million represents short term advances mainly to the suppliers, further Cash and cash equivalents of Rs. 513.360 millions are held in Bank Accounts and Rs. 2,200 million held as short term deposits.

The Company has received total disbursement of Rs. 17,588.942 million under Project finance facilities during the period. This disbursement constitutes 80.45% of the total finance facility of Rs. 21,862 million.

The engineering and procurement activities are almost complete and construction work is approaching towards completion. The Facility's construction activities are well advanced therefore the initial commissioning activities have started. The focus of the work is shifting from construction to commissioning and start-up activities which are expected to be completed well within time.

We look forward for continued support from all our stakeholders and like to acknowledge and appreciate the contributions made by the management staff, employees, regulatory authorities, financial institutions and various government functionaries.

For and on behalf of the Board



Lt Gen Khalid Nawaz Khan,

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

Chairman

