

FFBL Power Company Limited

Directors' Review Report

The Board of Directors is pleased to present operational and financial overview of FFBL Power Company Limited (FPCL) along with the audited financial statements of the Company for the year ended December 31, 2020.

Principal Activity

FPCL was incorporated as a public limited company on June 27, 2014. The principal activity of the Company is to build, own and operate a coal based power generation facility at Port Qasim Karachi with a gross capacity of 118 MW. The Company commenced its Commercial Operation on May 19, 2017.

Financial Results

During the year ended December 31, 2020, FPCL have recorded revenue amounting to PKR 16,644 Million (2019: 17,100 Million) against cost of sales of PKR 10,278 Million (2019: 10,142 Million). Profit for the year is PKR 3,804 Million as against profit of PKR 3,891 Million posted during the year 2019. Earnings per share (EPS) were at PKR 4.43 (2019: PKR 4.53).

The principal loan repayment under the Long Term Finance Facilities amounting to PKR 1,860 Million have been paid during the year without any default. Outstanding Long Term Finance Facilities as at December 31, 2020 amounted to PKR 15,802 Million.

Operational Results

During the year, FPCL delivered 153,179 MWh (2019: 151,172 MWh) of electricity to Fauji Fertilizer Bin Qasim Limited and 437,010 MWh (2019: 426,385 MWh) to K-Electric Limited. The Company also delivered 1,475,256 Metric Tons (2019: 1,532,131 MT) of Steam to Fauji Fertilizer Bin Qasim Limited.

Future Outlook

The demand for electricity has always been on the rise and the Government of Pakistan has been actively pursuing various power projects to bridge the gap between demand and supply. The gap is however expected to exist in foreseeable future as power requirements are growing by the time at a pace greater than it takes for energy projects to connect and dispatch. More projects are being built to run on coal and RLNG, however these are not likely to affect Company's rank in merit order.

Impact of COVID-19

Management has assessed the accounting implications of the developments on the financial statements for the year ended December 31, 2020 and concluded that there is no significant accounting impact of the effects of COVID-19 on its financial statements.

Internal Control System

Adequate internal controls are in place and no lapse was reported during the year.

Board of Directors

The Board exercises the power conferred to it by the Companies Act, 2017 and the Memorandum and Articles of Association of the Company, through Board meetings, which are held every quarter in a year for reviewing and approving the adoption of Company's Financial Statements, Formulating Strategies, Providing Guidance to the Company's Management and Monitoring their performance.

Following is the list of the Directors of the Company who served on the Board during the year:

Mr. Waqar Ahmed Malik	Appointed: Apr 09, 2020	
Lt Gen Tariq Khan, HI (M), (Retd)		
Mr. Sarfaraz Ahmed Rehman	Appointed: Jun 10, 2020	
Mr. Qamar Haris Manzoor	Appointed: Jun 10, 2020	
Mr. Muhammad Munir Malik	Appointed: Aug 03, 2020	
Dr. Nadeem Inayat	Appointed: Apr 22, 2020	
Mr. Aziz Ikram	Appointed: Nov 18, 2020	
Mr. Shakeel Haider	Appointed: Nov 20, 2020	
Mr. Masoom Hussain	Appointed: Jan 13, 2020	
Maj Gen Abid Rafique (Retd)	Appointed: Jan 01, 2020	Resigned: Jun 10, 2020
Mr. Tassawor Ishaque	Appointed: Jun 10, 2020	Resigned: Aug 03, 2020
Mr. Imran Moid	Appointed: Sep 07, 2020	Resigned: Nov 18, 2020
Mr. Khurram Shahzad	Appointed: Jun 11, 2020	Resigned: Nov 20, 2020
Lt Gen Syed Tariq Nadeem Gilani, HI (M), (Retd)		Resigned: Mar 27, 2020
Lt Gen Javed Iqbal, HI (M), (Retd)		Resigned: Jun 10, 2020
Maj Gen Tahir Ashraf Khan, HI (M), (Retd)		Resigned: Jan 01, 2020
Brig Hamad Qadir (Retd)		Resigned: Jun 10, 2020
Brig Asif Ali (Retd)		Resigned: Jun 11, 2020
Col Dr. Muhammad Rashid Hussain (Retd)		Resigned: Apr 22, 2020
Syed Aamir Ahsan		Resigned: Jan 13, 2020
Mr. Rehan Laiq		Resigned: Sep 07, 2020

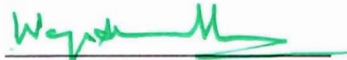
Pattern of Shareholding

<u>Categories</u>	<u>No of Shares</u>	<u>%</u>
Directors & CEO	9	
Fauji Fertilizer Bin Qasim Limited (FFBL)	644,062,491	75%
Fauji Foundation (FF)	214,687,500	25%

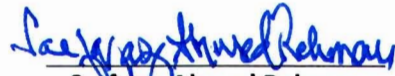
Acknowledgements

The Board acknowledges and appreciates with thanks the continued efforts and contributions of all stakeholders in smooth operations of the Company and expects the same to continue in the future.

For and on behalf of the Board



Waqar Ahmed Malik
Chairman



Sarfaraz Ahmed Rehman
Managing Director &
Chief Executive Officer

Islamabad

January 26, 2021