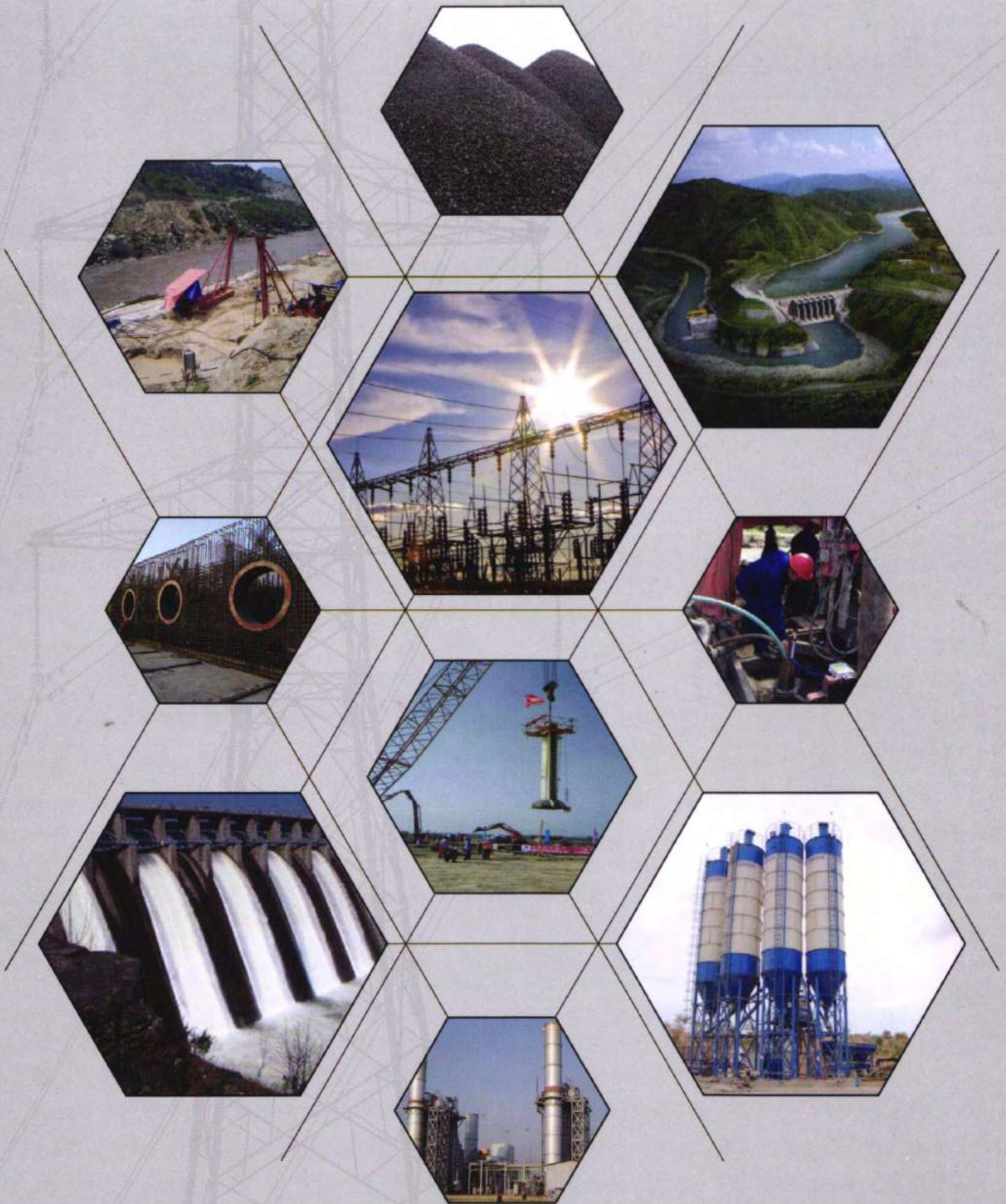
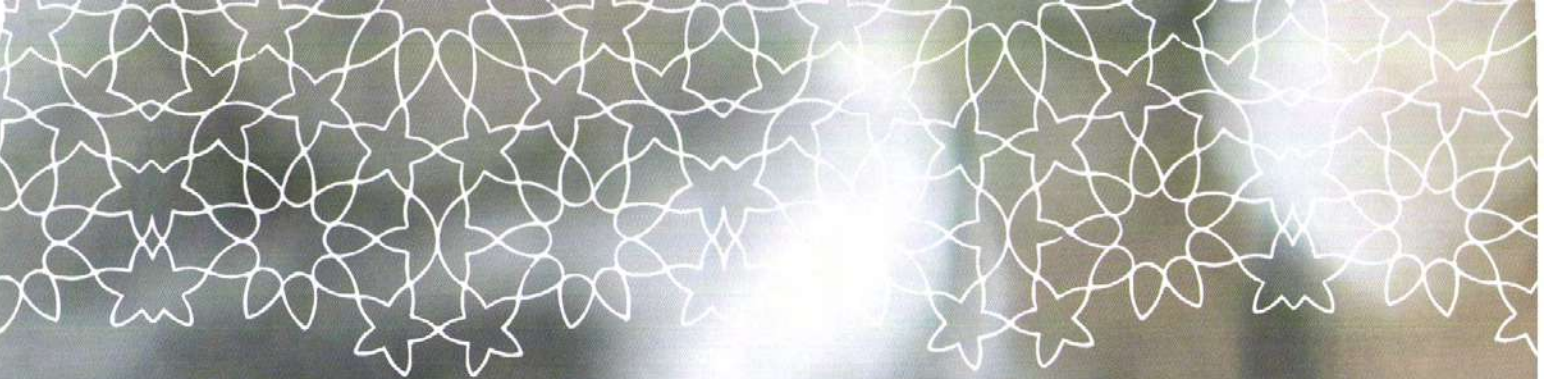


ANNUAL REPORT 2015-16



PRIVATE POWER & INFRASTRUCTURE BOARD



MISSION STATEMENT

To provide one-window facility to investors; promote, encourage and facilitate investments in the power sector under the applicable power policies and to safeguard the investments already made therein.




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CHAIRMAN'S MESSAGE

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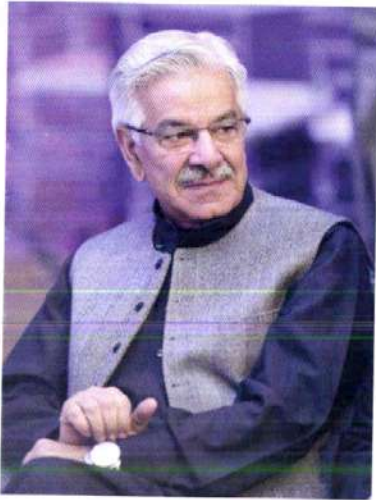
Appendices



GLOSSARY

Abbreviation	Description
AEDB	Alternative Energy Development Board
CPEC	China-Pakistan Economic Corridor
CPPA	Central Power Purchasing Agency
DISCOs	Distribution Companies
EOI	Expression of Interest
EPC	Engineering Procurement & Construction
ECC	Economic Coordination Committee of the Cabinet
FS	Feasibility Study
FC	Financial Close
FBR	Federal Board of Revenue
GoP	Government of Pakistan
GoS	Government of Sindh
GoAJ&K	Government of Azad Jammu & Kashmir
GENCOs	Generation Companies
GSA	Gas Supply Agreement
HSFO	High Sulphur Fuel Oil
HPP	Hydropower Project
IA	Implementation Agreement
IPPs	Independent Power Producers
ICB	International Competitive Bidding
LOI	Letter of Interest
LOS	Letter of Support
MoW&P	Ministry of Water & Power
MoF	Ministry of Finance
MoP&NR	Ministry of Petroleum & Natural Resources
MW	Mega Watts
MOU	Memorandum of Understanding
NEPRA	National Electric Power Regulatory Authority
NTDC	National Transmission and Despatch Company
O&M	Operation & Maintenance
OGDCL	Oil and Gas Development Company Limited
PPDB	Punjab Power Development Board
PPIB	Private Power and Infrastructure Board
PEPCO	Pakistan Electric Power Company
PPA	Power Purchase Agreement
PG	Performance Guarantee
PPP	Public Private Partnership
SNGPL	Sui Northern Gas Pipelines Limited
SHYDO	Sarhad Hydel Development Organization
TCEB	Thar Coal & Energy Board
TOR	Terms of Reference
WAPDA	Water and Power Development Authority
WUL	Water Use License
WUA	Water Use Agreement

MESSAGE



It is a fact that per capita electricity consumption is one of the most relevant economic welfare indicators, thus implying that generation of electricity is critically linked to the economic development of any country. Unfortunately this fact was ignored in the past and as result our government inherited acute power shortages, the lack of planning being the foremost reason. However, we have not closed our eyes to the situation, rather we have taken this as a challenge and our team is working in multi-dimensions to bridge the gap between power demand and supply.

The effective and fast-track measures taken by the present government in increasing generation and removing system constraints have been resulting into overcoming electricity shortages and embarking upon the journey of progress and development. To sustain industrial growth, zero outages are being observed for the industry, while reduced domestic load-shedding has also alleviated the sufferings of the common man.

The role of Private Power and Infrastructure Board (PPIB) of developing large scale power generation and transmission line projects is praiseworthy. PPIB is dedicatedly working on enriching national grid with reliable and affordable electricity through much balanced and improved fuel mix in the upcoming power projects of more than 19000 MW cumulative capacity. On the one hand, PPIB in line with government plan is promoting coal and R-LNG based power generation in compliance with the national and international environmental standards as a reliable based-load solution to ensure uninterrupted supply of electricity. PPIB has also achieved major breakthrough in the power generation history of Pakistan through start of construction for the Thar coal mine for power generation which has catalyzed investors to develop power generation complexes using Thar Coal. At the same time, PPIB is processing large number of hydropower projects through private sector participation.

I would give full credit to PPIB for being the leading institution in implementation of flagship China-Pakistan Economic Corridor (CPEC) initiative through processing major chunk of power generation and transmission projects under CPEC framework. These projects will be instrumental in eliminating load shedding, bringing down the generation cost and uplifting socio-economic activities. These include hydropower projects of 2714 MW, coal based power projects of 7260 MW and ± 660 kV Matiari-Lahore HVDC Transmission Line Project.

PPIB has been showing extraordinary commitment and doing remarkable job in implementing government agenda to add reliable and affordable power generation to the national grid which will significantly contribute in achieving socio-economic targets for the country. I wish all the best to this professional organization for successfully meeting its future goals including completion of under process projects.

Khawaja Muhammad Asif
Minister for Water & Power/
Chairman PPIB

FOREWORD

It is a pleasure to present the Annual Report of the Private Power and Infrastructure Board for the year ending June 30, 2016 which covers the activities and achievements of PPIB during the financial year 2015-16. Also included in the report are the audited statement of income and expenditure and balance sheet. We have also highlighted new initiatives and our future plans for enhancing the power sector capacities.

PPIB has remained a one-window support to the private investors for establishing IPPs and allied infrastructure in the country since its inception in 1994. While appreciating the IPPs model for implementation of projects and bringing transparency and efficiency in the implementation of private sector power projects, the government has further expanded role of PPIB by allowing it to facilitate public sector projects in IPP mode, for which PPIB's Act has been amended in November 2015. To remove major bottleneck in the development of power projects in the private sector through provinces, particularly the small hydro projects, PPIB has started issuing tripartite Letters of Support for projects being processed by provinces which will open doors for development of small to medium power projects based on local resources.

In order to address the power shortages in the system, the present government initiated various power generation projects in 2014. A number of hydro and local coal projects are under development to cater the long term electricity requirements of the country and to trade off the anticipated impact on foreign exchange reserves due to imported fuels. Few imported coal based projects are also being developed to meet the country's immediate electricity shortfall. The projects which were started prior to 2014 also progressed expeditiously during the said period due to the prompt and aggressive strategy of monitoring projects' activities for accomplishing various milestones.

Most of the above mentioned projects are included in the game changer China-Pakistan Economic Corridor (CPEC) initiative. PPIB being the leading institution in implementation of flagship CPEC initiative is processing major chunk of power generation and transmission line projects which include six coal based power projects of 7,260 MW and three hydropower projects of 2,714 MW worth more than US\$ 17 billion. Overall PPIB is processing thirty two (32) IPPs of more than 19000 MW which are based on HYDRO, COAL and RLNG/Gas. These projects are at different stages of processing, some of which are under construction while few others are about to start construction activities. PPIB is putting in untiring efforts to meet the ambitious timelines of the current government for adding up of more than 12000 MW within next few years.

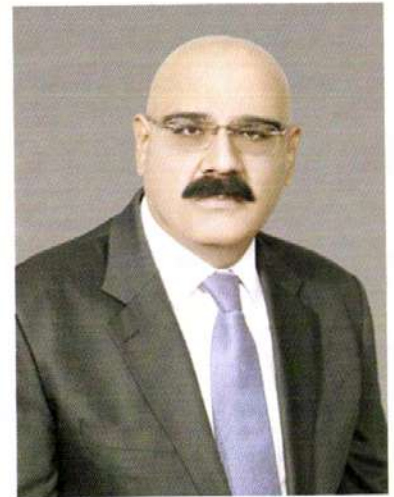
During the period PPIB was tasked to develop two major policies of the government of Pakistan which include the "Power Generation Policy 2015" aiming to accommodate new fuels like Coal & LNG and "Policy Framework for Private Sector Transmission Line Projects, 2015" for attracting private capital in transmission network of the country which are now in place for the prospective investors. Currently, PPIB is facilitating ± 660 kV Matiari-Lahore HVDC Transmission Line Project which will be the first ever HVDC transmission line in Pakistan, and it will be developed in the private sector.

I sincerely hope that the Annual Report 2015-16 will prove to be good information source for researchers, academia and for the general public interested in the power sector of Pakistan.

Shah Jahan Mirza

Managing Director

Private Power & Infrastructure Board







PRIVATE POWER AND INFRASTRUCTURE BOARD



1. Private Power and Infrastructure Board

The Private Power and Infrastructure Board (PPIB) was created in 1994 as “One Window Facilitator” to promote private sector participation in the Pakistan’s power sector and allied infrastructure. In 2012 PPIB was made a statutory organization through Private Power and Infrastructure Board Act 2012 (Act VI of 2012). As per its mandate, PPIB executes Implementation Agreement (IA) with Project Sponsors and issues assurances and guarantees on behalf of Government of Pakistan. After an amendment in the PPIB Act on 18th November 2015, PPIB has been given additional mandate by the Government of Pakistan to handle specified power projects in the public sector to implement and operate them as independent and efficient corporate entities and create a healthy competition between public and private sector.

1.1 Functions of PPIB

- Recommend and facilitate development of power policies;
- consult the concerned Provincial Government, prior to taking a decision to construct or cause to be constructed a hydroelectric power station in any Province and to take decisions on matters pertaining to power projects set up by private sector or through public private partnership and other issues pertaining thereto;
- coordinate with the Provincial Governments, local governments, Government of Azad Jammu and Kashmir (AJ and K) and regulatory bodies in implementation of the power policies, if so required;
- coordinate and facilitate the sponsors in obtaining consents and licences from various agencies of the Federal Government, Provincial Governments, local governments and Government of AJ and K;
- work in close coordination with power sector entities and play its due role in implementing power projects in private Sector or through public private partnership or for public sector power projects as per power system requirements;
- function as a one-stop organization on behalf of the Federal Government and its Ministries, Departments and agencies in relation to private power companies, sponsors, lenders and whenever necessary or appropriate, other interested persons;
- draft, negotiate and enter into security package documents or agreements and guarantee the contractual obligations of entities under the power policies;
- execute, administer and monitor contracts;
- prescribe and receive fees and charges for processing applications and deposit and disburse or utilize the same, if required;
- obtain from sponsors or private power companies, as the case may be, security instruments and encash or return them, as deemed appropriate;
- act as agent for development, facilitation and implementation of power policies and related infrastructure in the Gilgit-Baltistan areas and AJ & K;
- prescribe, receive, deposit, utilize or refund fees and charges, as deemed appropriate;
- open and operate bank accounts in local and foreign currencies as permissible under the laws of Pakistan;

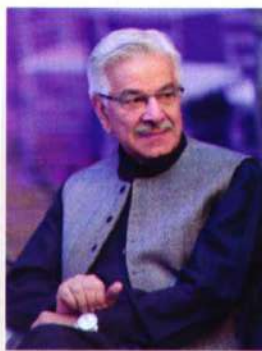
- commence, conduct, continue and terminate litigation, arbitration or alternate dispute resolution mechanisms at whatever levels may be necessary or appropriate and hire and pay for the services of lawyers and other experts therefor;
- appoint technical, professional and other advisers, agents and consultants, including accountants, bankers, engineers, lawyers, valuers and other persons in accordance with section 14;
- hire professional and supporting staff and, from time to time, determine the emoluments and terms of their employment, provided always that at no stage shall such emoluments be reduced from such as are agreed in the contracts with such persons; and
- perform any other function or exercise any other power as may be incidental or consequential for the performance of any of its functions or the exercise of any of its powers or as may be entrusted by the Federal Government to meet the objects of the Act.

1.2 Composition of the Board of PPIB

The Federal Minister for Water and Power heads the Board as Chairman with members from the relevant ministries at Secretary level, provincial representatives and also private members.

The composition of the Board of PPIB is as follows:

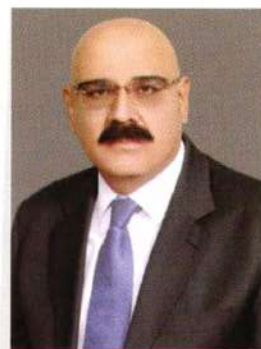
Chairman



Khawaja Muhammad Asif
Federal Minister for Water and Power



Mr. Mohammad Younus Dagha
Federal Secretary
Ministry of Water & Power



Mr. Shah Jahan Mirza
Managing Director
Private Power and Infrastructure Board
(Secretary of the Board)



Dr. Waqar Masood Khan
Federal Secretary
Ministry of Finance



Mr. Arshad Mirza
Federal Secretary
Ministry of Petroleum and Natural Resources



Mr. Yousaf Naseem Khokhar
Federal Secretary
Planning Commission



Mr. Nisar Muhammad Khan
Chairman
Federal Board of Revenue



Mr. Zafar Mahmood
Chairman WAPDA

Chief Secretaries of Provinces and AJ&K or their nominees not below the rank of Additional Secretary or equivalent



Mr. Muhammad Siddique Memon
Chief Secretary, Government of Sindh



Mr. Sikandar Sultan Raja
Chief Secretary
Government of Azad Jammu & Kashmir



Mr. Amjad Ali Khan
Chief Secretary
Government of Khyber
Pakhtunkhwa



Mr. Khizar Hayat Gondal
Chief Secretary
Government of Punjab



Mr. Khaleeq Nazar Kayani
Secretary Energy
Government of Balochistan

Representatives from Gilgit Baltistan and FATA



Engr. Nasir Ali Shigri
Representative from Gilgit
Baltistan



Syed Zaheer-Ul-Islam
Secretary
Administration, Infrastructure
& Coordination, FATA Secretariat

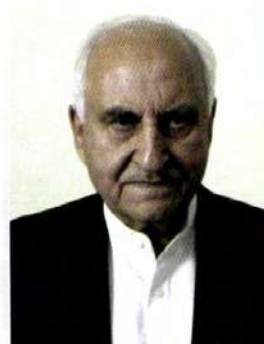
Representatives from private sector from each Province



Mr. Muhammad Zubair
Motiwala
(Sindh)



Mr. Manzoor A. Sheikh
(Punjab)



Mr. Muhammad Yunis Marwat
(Khyber Pakhtunkhwa)



Mr. Abdul Rauf Baloch
(Balochistan)

1.3 Contribution of PPIB to the Power Sector

PPIB has been significantly contributing to the economic development of the country by adding reliable power generation to the national grid through private sector. Pursuant to 1994 and 2002 Power Policies, PPIB attracted leading international investors and lenders to invest in country's power sector and has successfully managed to induct 30 independent power projects (IPPs) totalling 7,410 MW with cumulative investment of around US\$ 8.5 billion, which is an accomplishment that makes PPIB stand out in the country's power sector. Subsequently, 1638 MW KAPCO earlier a public sector entity joined the league of IPPs after being privatized; currently more than 36% of electricity is injected into national grid by these IPPs. Recently, PPIB has been mandated to also process/facilitate specified public sector power generation projects for which PPIB Act has been accordingly amended.

- Created in August 1994 to promote private investments in power sector.
- A One-Window facilitator on behalf of the GOP, its Ministries/ Departments.
- Execution of IA and provision of GOP guarantees on behalf of the President of Pakistan.
- Facilitation in executing PPA, WUL with relevant GOP agencies.
- Technical, financial and legal support to Ministry of Water & Power, Provinces / AJ&K.



POWER PROJECTS



COAL MINING

- Total Projects = 3



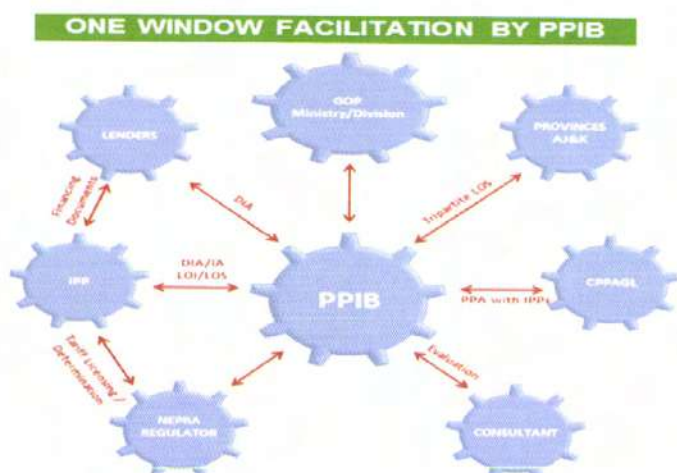
PPIB is frontrunner institution in implementation of flagship China Pakistan Economic Corridor (CPEC) initiative by processing major chunk of power generation and transmission projects under CPEC framework including six coal based power projects of 7260 MW and three hydropower projects of 2714 MW. PPIB has been actively monitoring the progress of these projects and providing full support to the Sponsors to ensure smooth and timely completion of projects. Two coal based IPPs each of 1320 MW by Huaneng Shandong (Ruyi) at

Sahiwal and by Sinohydro Resources Limited/AI Mirqab Capital at Port Qasim are at advance stages of construction and expected to come online during 2017-2018.

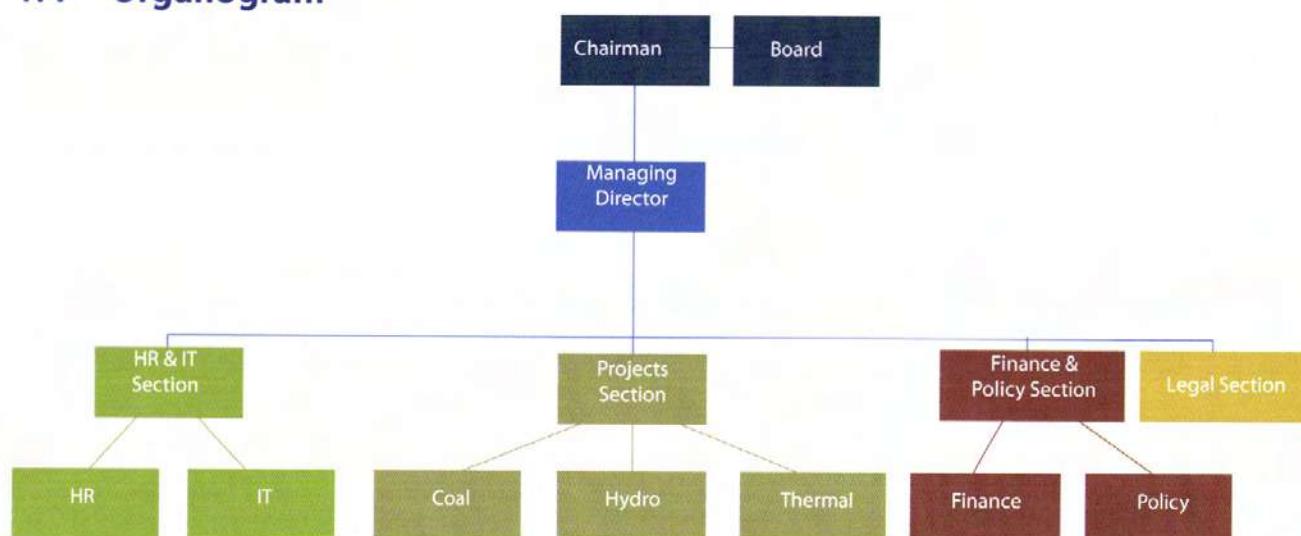
PPIB has developed itself into a mature and reliable institution and has bagged numerous laurels for its following multi-faceted roles:

- As a Facilitator
- As a Guide
- As a Lead Force in Power Sector
- As a Catalyst for Improving Economy

PPIB's role includes cohesion and communication with various players of the power sector to make power projects a reality. The following illustration depicts the communication structure of PPIB with other players:



1.4 Organogram



1.5 Meetings of the Board

During the financial year 2015-16, five meetings of the Board of PPIB were held under the chairmanship of the honourable Minister for Water & Power who is also the Chairman of PPIB.

a) 102nd Board Meeting held on 17th September, 2015

Following key decisions were taken in the meeting:

- (i) The Board was briefed on the progress of various projects being processed by PPIB and informed that out of the portfolio of projects being processed by PPIB seven projects having cumulative generation capacity of over 5000 MW are at advance stages. Board appreciated the progress of projects and emphasized the need to eliminate the loop holes which could hamper the progress of projects.
- (ii) The Board directed that necessary amendments in the PPIB Act 2012, Power Generation Policy 2015 and Power of Attorney by the Prime Minister of Pakistan for processing of two (2x1200 MW) public sector RLNG Based Power Projects of Federal Government/National Power Parks Management Company Limited (NPPMCL) at Balloki and Haveli Bahadur Shah by PPIB, be initiated.
- (iii) The Board constituted a Committee comprising of Additional Secretary, Ministry of Water & Power, representative of Planning Division, and PPIB to discuss and carry out due diligence in order to avoid contradiction, if any with the existing framework for processing of public sector projects under Rules of Business 1973.
- (iv) The Board directed that necessary amendments in the PPIB Act 2012, Power Generation Policy 2015 and Power of Attorney by the Prime Minister of Pakistan for expeditious processing of 1000-1500 MW public sector RLNG Based Power Projects of Quaid-e-Azam Thermal Power (Pvt) Limited at Bhikki by PPIB, be initiated.
- (v) The Board granted extension in validity of Letter of Support of 870 MW Suki Kinari Hydropower Project upto 31st December 2015 to facilitate its processing.
- (vi) The Board advised PPIB to review EOI documents to bring more clarity, remove the bottlenecks, if required, make qualification criteria less stringent and arrange road shows for attracting private sector investors; and

- (vii) The Board approved advertising of 58 MW Turtonas-Uzghor and 80 MW Neckeherdim-Paur hydropower projects' sites.

b) 103rd Board Meeting held on 6th January, 2016

Following key decisions were taken in the meeting:

- (i) Board granted extension in the validity of Letter of Support for the 870 MW Suki Kinari Hydropower Project for a period of six months to facilitate its processing.
- (ii) Board granted six months extension in the Financial Closing date of 660 MW Engro Powergen project at Thar Block-II to facilitate its processing.
- (iii) Board granted six months extension in the Financial Closing date of 1320 MW Huaneng Shandong Ruyi Imported Coal based Power Project at Sahiwal to facilitate its processing.
- (iv) Board granted six months extension in the Financial Closing of 150 MW imported coal based power project by Grange Power to facilitate its processing.
- (v) Board granted three months extension in the term of LOI for 1320 MW Hubco Imported coal based Power Project to facilitate its processing.
- (vi) Board approved the initiative of establishing 1000 MW R-LNG based power projects planned to be located at the existing sites of GENCO plants or at new greenfield sites close to grid stations / transmission lines of NTDC / DISCOs; where land, power evacuation facilities, gas pipelines, infrastructure, etc. are available. The draft RFP for the power projects thereunder was approved with the provision to make changes, if any, advised by NEPRA and ECC and the Board directed the Ministry of Petroleum and Natural Resources to ensure provision of firm commitment of fuel for the 1000 MW R-LNG based power projects.

c) 104th Board Meeting held on 14th March, 2016

Following key decisions were taken in the meeting:

- (i) In view of the importance of the project, included in the CPEC Framework Agreement, Board decided that the matter be recommended to the PM/CCOE for consideration to allow COD for 660 MW Engro Powergen Thar Limited Project as per PPA.
- (ii) The Board approved extension in validity of the LOI issued to 2 x 660 MW coal based power project by M/s Shanghai Electric Power Company Limited for six months to facilitate its processing.
- (iii) Board approved six months extension in the LOI issued to QATPL to facilitate its processing.
- (iv) Board directed to issue LOS to QATPL after notification of amendment in Power Generation Policy 2015 allowing PPIB to process public sector projects and fulfilment of other pre-requisites.
- (v) The Board approved processing of following two public sector R-LNG based power projects after fulfilment of pre-requisites:
 - 1230 MW (Gross) R-LNG based Power Project at Haveli Bahadur Shah, District Jhang; and
 - 1223 MW (Gross) R-LNG based Power Project at Balloki, District Kasur
- (vi) The Board approved issuance of LOI to NPPMCL, being a public sector company.

d) 105th Board Meeting held on 3rd May, 2016

Following key decisions were taken by the Board:

- (i) Board approved the Evaluation Reports consisting of Technical/Financial Evaluation Reports for development of 1000 MW RLNG based IPPs at the existing sites of GENCOs & Green Field sites.
- (ii) Board granted extension in the Financial Closing Dates of both the Lucky Electric Power Company Limited and Siddiquesons Energy Limited to facilitate their processing.
Board, being conscious of the fact that dependency on imported fuels should be minimized gradually, directed PPIB to advise project companies to look for the possibility of utilizing local coal instead of imported coal for the project.
- (iii) Approved the Evaluation Report submitted by the Consultant and issuance of Notice to Proceed (NTP) and Letter of Intent (LOI) to 330 MW Thar Coal based Power at Thar Block-II, Sindh by Hub Power Company Limited upon fulfilling the requirements set forth in Power Policy 2015 and Guidelines 2010.
- (iv) Approved issuance of NTP and LOI to the 330 MW Coal Based Power Project at Thar Block-II, Sindh by Thal Power (Private) Limited after successful evaluation by the Consultants and upon fulfilling requirements as per Power Generation Policy 2015 and Guidelines 2010.
- (v) Allowed five months extension in the validity of the LOI to Mahl Hydropower Project as recommended by the POE to ease processing.
- (vi) Board ratified the filing of the Tariff Petition before NEPRA by PPIB for ± 660 kV HVDC Matiari – Lahore Transmission Line Project and to perform all actions, deemed appropriate and necessary or incidental in relation thereto.
- (vii) Allowed acceptance of all type of fee from projects Sponsors/Companies under various policies in equivalent Pak Rupee by PPIB at the exchange rate prevailing on the date of payment in order to facilitate the investors for smooth / early processing of new projects.
- (viii) Board decided that no power projects based on imported fuel will be entertained and processed by PPIB in future except those projects which have already been approved by the Board.
- (ix) Board advised that the Ministry of Water & Power and PPIB should initiate work on policy proposals to encourage competitive market based structure for IPPs and gradually eliminate the sovereign guarantees as well as long term Power Purchase Agreements.

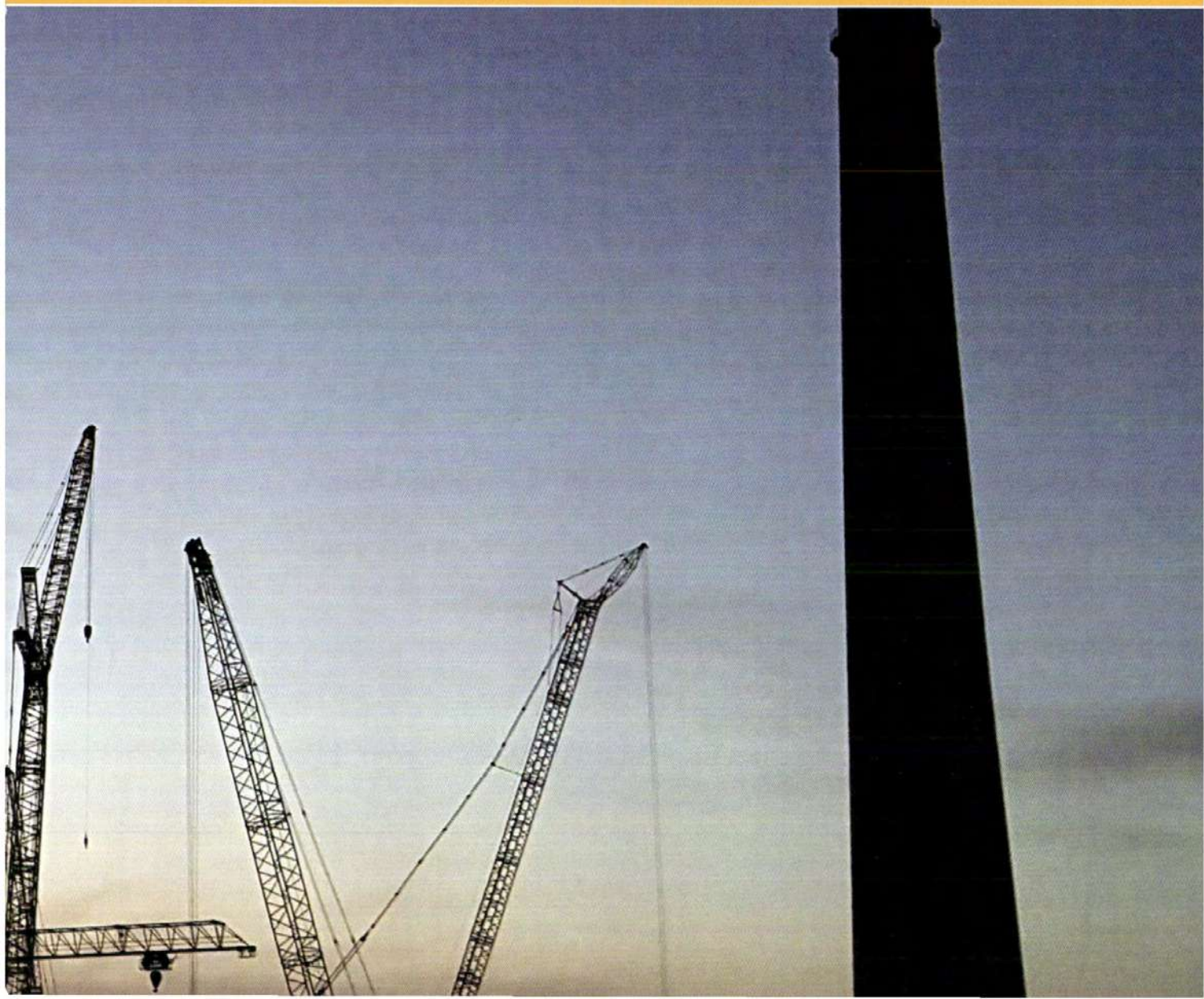
e) 106th Board Meeting held on 9th June, 2016

Following key decisions were taken by the Board:

- (i) Board approved the draft ECC Summary submitted by PPIB regarding draft Implementation Agreement (IA) for Imported R-LNG based Power Projects in Public Sector (1180 MW at Bhikki by QATPL, 1230 MW at Haveli Bahadur Shah and 1223 MW at Balloki by NPPMCL) to the Ministry of Water and Power for further processing.
- (ii) Board granted extension in the validity of Letter of Support of 870 MW Suki Kinari Hydropower Project for a period of six months.
- (iii) Approved the change in shareholding structure of 640 MW Azad Pattan Hydropower Project to be located at the dual boundary of Punjab and AJ&K, as proposed by the Project Sponsors, subject to fulfilment of the prerequisites.



ACTIVITIES DURING 2015-16

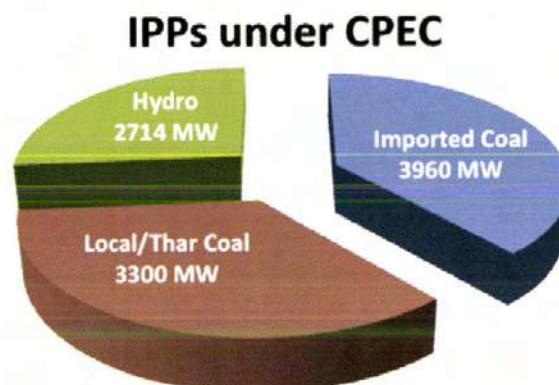


2.1 Activities during 2015-16

During the year 2015-16, PPIB efficiently processed fleet of power generation projects based on multiple fuels/technologies i.e. COAL, HYDRO, GAS and R-LNG. All projects are progressing according to the scheduled timelines due to PPIB's proactive role in facilitation of aforesaid projects.

PPIB is handling thirty two IPPs of 19406 MW cumulative power generation capacity. These projects are based on COAL, HYDRO, GAS and R-LNG fuels/technologies. Out of them, nine IPPs of 9974 MW are being processed under the China-Pakistan Economic Corridor (CPEC) which include three local/thar coal based IPPs of 3300 MW, three imported coal based IPPs of 3960 while three IPPs of 2714 MW are hydro based. PPIB is also processing ± 66 kv HVDC Matiari-Lahore Transmission line project under CPEC.

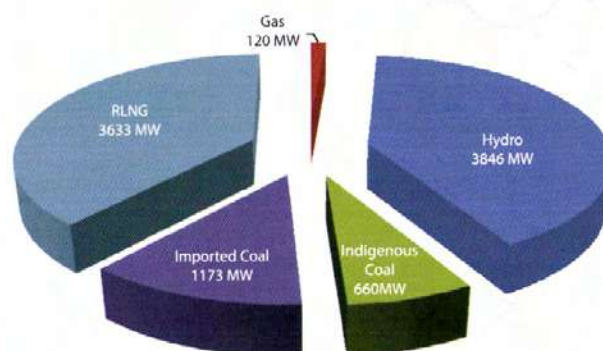
Names of IPPs being processed by PPIB under the CPEC along with status and other details is as follows:



Sr.#	Project Name	Capacity (MW)	Location	Category	Status
Imported Coal based Power Projects					
1	Port Qasim Coal Project	1,320	Port Qasim, Karachi, Sindh	Prioritized	FC Achieved. Under Construction.
2	Sahiwal Coal Power Project	1,320	Qadarabad, Sahiwal, Punjab	Prioritized	LOS issued FC in progress Under Construction
3	HUBCO Coal based Power Project	1,320	Hub, Balochistan	660MW Prioritized 660MW Actively Promoted	LOS issued FC in progress
Total (Imported Coal)		3,960			
Thar Coal based Power Projects					
4	Shanghai Electric Coal Power Project	1,320	Thar Block - I, Sindh	Prioritized	LOI issued. LOS in progress
5	Engro Thar Coal Power Project	660	Thar Block - II, Sindh	Prioritized	FC Achieved. Under Construction
6	Oracle Coal Power Project	1,320	Thar Block-VI, Sindh	Actively Promoted	Submission of Proposal by the Project Sponsors in process.
Total (Thar Coal)		3,300			
Hydro based Power Projects					
7	Karot Project	720	Jhelum River, Distt. Rawalpindi, Punjab	Prioritized	FC achieved Under Construction
8	Suki Kinari Project	870	Kunhar River, Mansehra, KP	Prioritized	LOS issued FC in progress
9	Kohala Project	1124	Jhelum River/ Kohala, AJ&K	Actively Promoted	LOS issued FC in progress
Total (Hydro)		2,714			
Grand Total		9,974			

The portfolio of IPPs being processed other than CPEC by PPIB include fourteen hydro IPPs of 3846 MW, three R-LNG based projects of 3633 MW, five coal based IPPs of 1833 MW and one gas based IPP of 120 MW. PPIB also understands the importance of reliable and efficient transmission network capable of evacuating upcoming megawatts through newly coming IPPs across the country for which private sector is being mobilized under the Policy Framework for Private Sector Transmission Line Projects, 2015.

IPPs other than CPEC



2.2. Power Generation Through Coal

Modern life is unimaginable without electricity. It lights houses, buildings, streets, provides domestic and industrial heat, and powers most equipment used in homes, offices and machinery in factories. Improving access to electricity worldwide is critical to alleviate poverty. Coal is amongst the cheaper and more common fuel used directly or indirectly to produce electricity in the world today. Coal-fired power plants currently fuel 41% of global electricity and, in some countries, coal fuels a higher percentage of electricity. However, on the other hand Pakistan's Power generation based on coal is 0.1%

Pakistan is ranked at fifth largest coal producing country of the world after the discovery of huge lignite coal resources in Sindh. Thar, estimated at 175.5 billion tons accounts for the bulk of Pakistan's total reserves, estimated at 185 billion tons which are sufficient to generate thousands of megawatts of affordable electricity for decades to come. Other coal deposits of significance in Sindh are located at Sonda (Jherruk) 5.5 billion tons and Lakhra (Dadu) 1.33 billion tons. Power Generation through Thar Coal is a very attractive investment opportunity.



Pakistan is facing acute power shortfall with 6-8% annual growth which warrants sufficient capacity additions for not only bridging the current demand-supply gap but to fulfill future needs of country for long time. PPIB is promoting coal based power generation as a reliable base-load solution and has initiated various power generation projects which are based on imported as well as on local/Thar coal. Emissions like carbon dioxide, SO_x, NO_x, etc are usually associated with combustion of coal, like all other fossil fuels. However, the Government of Pakistan is equally aware of its responsibilities to protect the environment and therefore, latest technology based power plants are being installed for the first time in the country having minimum impact on the environment. All sites of coal based IPPs in Pakistan are subjected to detailed Environment Impact Assessment (EIA) to determine the impact on environmental components including water, wind, soil, noise etc. These EIA reports are reviewed and approved by the concerned environmental protection agencies of the respective provincial governments to ensure that all rules and regulations to safeguard environment are strictly adhered to. Brief description of PPIB's achievements and activities with regard to processing coal based power generation projects during the year 2015-16 are as follows:

2.3 Coal based Power Projects being Processed by PPIB

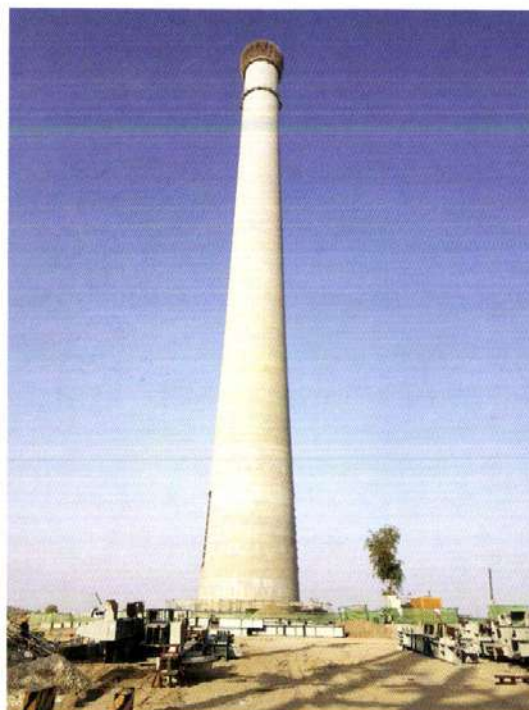
(a) Local/Thar Coal Based Power Generation Projects

PPIB is processing five local/Thar coal based power projects of 3960 MW which are scheduled to come online during 2017-2019. Out of these, three projects of 3300 MW are being processed under the CPEC. Detail of achievements and activities undertaken during the year 2015-16 is as under:

660 MW Thar Coal based Power Project at Thar Block-II Sindh by M/s. Engro Powergen Limited

Introduction:

TCEB has allocated Block-II to Sindh Engro Coal Mining Company (SECMC) for integrated coal mining and power generation projects. Based on the coal supply from SECMC, M/s. Engro Powergen Thar Limited is developing this power generation project in Thar Block-II in phase-I. The Project shall utilize 3.8 Million Tonnes of Coal per annum which shall result in foreign exchange outflow savings of over US\$ 400 Million per annum. This being the first project in Thar, sponsors are trying their best to pave way for development of Thousands of MW on indigenous coal which will produce cheap and affordable electricity and will also reduce dependence on the imported fuels. In the last financial year, the project achieved its major milestones including signing of Security Package Agreements. During this year, the Project achieved its Financial Closing on April 04, 2016.



Salient Features

– Project Company:	Engro Powergen Thar Limited
– Location:	Thar Block-II Sindh
– Capacity:	660 MW (Gross)
– Technology:	Steam Turbines
– Fuel:	Thar Coal
– Fuel Supplier:	Sindh Engro Coal Mining Company
– Power Purchaser:	CPPA (G) L
– Term of the Project:	30 Years

Key Achievements 2015-2016

– Implementation Agreement (IA):	4th May 2015
– Power Purchase Agreement (PPA):	4th May 2015
– Supplemental to the IA:	4th May 2015
– Coal Supply Agreement (CSA):	7th June 2015
– Financial Closing:	4th April 2016

1320 MW Thar Coal based Power Project at Thar Block-I by M/s. Shanghai Electric Group

Introduction:

This project is based on Thar Coal fields Block-I. Sino Sindh Resources Limited (SSRL) holds the mining lease for Block-I of Thar Coalfields which covers approximately 150 square km. M/s Shanghai Electric Group is developing 1320 MW power generation project, whereas SSRL as mine developer is the coal supplier for the project.



Salient Features

– Project Company:	Shanghai Electric Group Company
– Main Sponsor:	Shanghai Electric Group Company (100%)
– Location:	Thar Block-I Sindh
– Capacity:	1,320 MW (Gross)
– Configuration:	2 x 660
– Technology:	Steam Turbines
– Fuel:	Thar Coal
– Fuel Supplier:	Sino-Sindh Resources
– Power Purchaser:	CPPA (G) L
– Term of the Project:	30 Years

Key Achievements 2015-2016

– Issuance of Letter of Interest (LOI)	21st August 2015
– Issuance of amendment to the LOI	1st March 2016
– Announcement of Upfront Tariff	10th June 2016

330 MW Thar Coal based Power Project at Thar Block-II by ThalNova Private Limited

Introduction:

ThalNova Power Thar Private Limited Company submitted its interest to develop a 330 MW Thar Coal based Power Project at Thar Block-II Sindh. Sindh Engro Coal Mining Company (SECMC) which is the coal mine developer of Thar Block-II shall provide Thar Coal.

Salient Features

– Project Company:	ThalNova Power Thar (Pvt.) Limited
– Location:	Thar Block-II Sindh
– Capacity:	330 MW (Gross)
– Technology:	Steam Turbines
– Fuel:	Thar Coal
– Fuel Supplier:	SECMC
– Power Purchaser:	CPPA (G) L
– Term of the PPA:	30 Years

Key Achievements 2015-2016

– Submission of Proposal	March 2016
– Issued Notice to Proceed	13th May 2016

330 MW Thar Coal based Power Project at Thar Block-II by HUBCO

Introduction:

Thar coalfield, located in south-eastern part of Sindh has a resource potential of approximately 175 Billion tons of Lignite coal. Several Thar coal based power projects, including 330 MW project at Thar Block - II by Thar Energy Limited, have been initiated by PPIB to ensure the energy security through generation of inexpensive and affordable electricity.

Salient Features

– Project Company:	Thar Energy Limited
– Main Sponsor:	Hub Power Company Limited
– Location:	Thar Block-II Sindh
– Capacity:	330 MW (Gross)
– Configuration:	330 MW
– Technology:	Steam Turbines
– Fuel:	Thar Coal
– Fuel Supplier:	SECMC

Key Achievements 2015-2016

– Submission of Proposal:	5th April 2016
– Approval of PPIB Board:	3rd May 2016
– Issuance of Notice to Proceed:	13th May 2016



1320 MW Thar Coal based Power Project at Thar Block-VI, Sindh by Oracle Coal fields PLC, England

Introduction

The Project Company has been registered with PPIB and the Sponsors of the Project have to submit formal proposal for developing 1320 MW Thar Coal based Power Project at Thar Block-VI, Sindh. This project is included in the CPEC and targeted to come online by 2nd quarter 2021.

Salient Features

Company	:	Thar Electricity (Pvt.) Limited
Main Sponsor	:	Oracle Coalfields PLC (90%)
Other sponsor	:	SEPCO Electric Power
Capacity	:	1,320 MW
Location	:	Thar Block-VI Sindh
Fuel	:	Thar Coal
Technology	:	Steam Turbines
Power Purchaser	:	CPPA (G) L
Fuel Supplier	:	Oracle Coalfields PLC
Term of the PPA	:	30 Years

Important Events

Registration	:	June 2015
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Brief/Current Status

- The Sponsors are registered with PPIB.
- Submission of proposal by the Project Sponsors in process



(b) Imported Coal Based Power Generation Projects

PPIB is processing six imported coal based power projects of 5133 MW which are scheduled to come online during 2017-2019. Out of these, three projects of 3960 MW are being processed under the CPEC. Detail of activities undertaken during the year 2015-16 is as follows:

1320 MW Imported Coal based power project at Port Qasim, Karachi by Sinohydro Resources Limited and Al Mirqab Capital

Introduction:

The project is being pursued as 'Prioritized Project' under China-Pakistan Economic Corridor. It has become the first coal based IPP in Pakistan to achieve Financial Closing in December 2015. Construction activities at the project site are at full swing with deployment of approximately 2,951 Chinese and 2,067 Pakistani engineers, supervisors and labours. The project is well on track to achieve Commercial Operations Date in 2018.

Salient Features

– Project Company	:	Port Qasim Electric Power Company (Private) Limited
– Main Sponsor	:	Sinohydro Resources Limited, China (51%)
– Other Sponsor	:	Al Mirqab Capital, Qatar (49%)
– Location	:	Port Qasim, Karachi
– Capacity	:	1,320 MW Gross
– Configuration	:	2 x 660 MW
– Technology	:	Steam Turbines
– Fuel	:	Imported Coal

Key Achievements 2015-2016

– EPC Contract (Offshore)	:	16th July 2015
– EPC Contract (Coal Jetty & Channel)	:	11th August 2015
– Loan Facility Agreement with EXIM Bank:	:	16th October 2015
– Financial Closing	:	22nd December 2015



1320 MW Imported Coal based Power Project at Sahiwal by M/s. Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited

Introduction:

The project is being pursued as 'Prioritized Project' under China-Pakistan Economic Corridor. It is the first coal based IPP in Pakistan to be processed under Tripartite Letter of Support jointly issued by Private Power and Infrastructure Board and Punjab Power Development Board. In order to achieve CPEC timelines, the project company has initiated construction ahead of Financial Closing which is expected by February 2017. The project is well on track to achieve Commercial Operations Date in 2017.

Salient Features

– Project Company	:	Huaneng Shandong Ruyi (Pak) Energy (Pvt) Ltd
– Main Sponsor	:	Shandong Ruyi Science & Technology Group Company Limited, China (50%)
– Other Sponsor	:	Huaneng Shandong Power Generation Company Limited, China (50%)
– Location	:	Qadarabad, Sahiwal
– Capacity	:	1,320 MW Gross
– Configuration	:	2 x 660 MW
– Technology	:	Steam Turbines
– Fuel	:	Imported Coal

Key Achievements 2015-2016

– Land Sale Agreement	:	6th July 2015
– Implementation Agreement	:	11th July 2015
– Power Purchase Agreement	:	11th July 2015
– Supplemental Agreement to Implementation Agreement	:	4th February 2016
– Issuance of 1st extension to LOS	:	29th March 2016



1320 MW Imported Coal based Power project at Hub Balochistan by M/s. Hub Power Company Limited

Introduction:

First unit of 1 x 660 MW of this project is included as 'Actively Promoted Project' and second unit 1 x 660 MW is included as 'Priority Project' under China-Pakistan Economic Corridor. The project is envisaged to be constructed at the existing site of 1,292 MW Hub Power Plant at Hub, Balochistan. The project is expected to achieve Financial Closing by January 2017.

Salient Features

– Project Company	:	China Power Hub Generation Company (Private) Limited
– Main Sponsor	:	Hub Power Co. Ltd (49%)
– Other Sponsor	:	China Power Int. (51%)
– Location	:	Hub, Balochistan
– Capacity	:	1,320 MW (Gross)
– Configuration	:	2 x 660
– Technology	:	Steam Turbines
– Fuel	:	Imported Coal

Key Achievements 2015-2016

– Application for Generation License	26th August 2015
– Acceptance of Upfront Tariff by NEPRA	12th February 2016
– Issuance of 1st extension to LOI	17th February 2016
– Issuance of Letter of Support (LOS)	12th April 2016



163 MW Imported Coal based Power Project at Arifwala, Punjab by M/s. Grange Power Limited (GPL)

Introduction:

163 MW, Grange Power Limited was accorded a Letter of Support to develop an oil based power project at Arifwala. However, due to government's initiative to reduce dependence on oil based power project, the project is now being developed by the sponsors as a coal-based power project at the same location.

Salient Features

– Project Company	:	Grange Power Limited
– Location	:	Near Arifwala, District Pakpattan
– Capacity	:	150 MW (Net); 163.35 MW (Gross)
– Technology	:	Steam Turbines
– Fuel	:	Imported Coal
– Power Purchaser	:	CPPA (G) L
– Term of the Project	:	30 Years

Key Achievements 2015-2016

– Execution of PPA	:	19th April 2016
– Execution of IA	:	14th June 2016

350 MW Coal based Power Project at Port Qasim by M/s. Siddiqsons Energy Limited

Introduction:

M/s. Siddiqsons Group of Companies operates in diverse range of industries including textiles, construction, banking, engineering and trading sectors in Pakistan. While utilizing their experience in Pakistan, Sponsors in collaboration with Chinese companies and support of PPIB are actively pursuing this project. Sponsors have obtained LOS from PPIB and are in the process of Financial Closing.

Salient Features

– Project Company	:	Siddiqsons Energy Limited
– Location	:	Port Qasim Karachi
– Capacity	:	350 MW (Gross)
– Technology	:	Steam Turbines
– Fuel	:	Imported Coal
– Power Purchaser	:	CPPA (G) L
– Term of the Project	:	30 Years

Key Achievements 2015-2016

– Announcement of Upfront Tariff	:	13th July 2015
– Issuance of Letter of Support (LOS)	:	31st August 2015

660 MW Coal based Power Project at Port Qasim by M/s. Lucky Electric Power Company Limited

Introduction:

Lucky Group is actively developing the project with support and guidance of PPIB. The Project was issued Letter of Support on 8th June 2015 and is in process to achieve Financial Closing.

Salient Features

– Project Company	:	Lucky Electric Power Co. Ltd
– Location	:	Port Qasim, Karachi
– Capacity	:	660 MW (Gross)
– Configuration	:	1 x 660MW
– Technology	:	Steam Turbines
– Fuel	:	Imported Coal
– Power Purchaser	:	CPPA (G) L
– Term of the Project	:	30 Years

Key Achievements 2015-2016

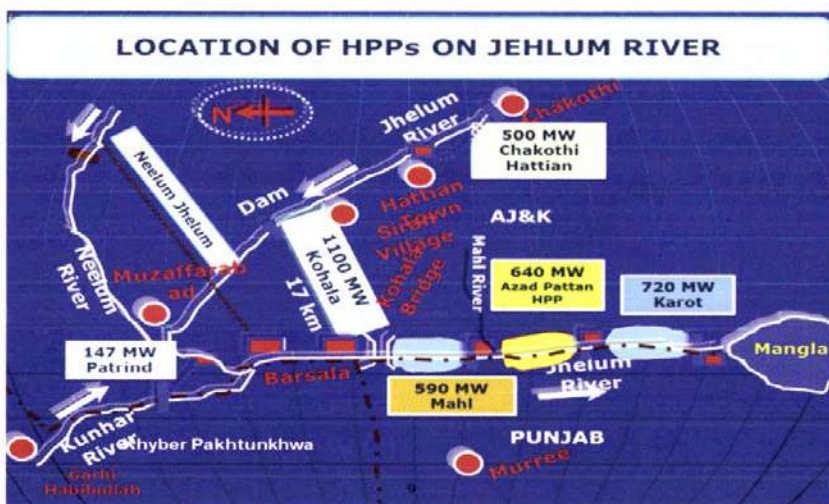
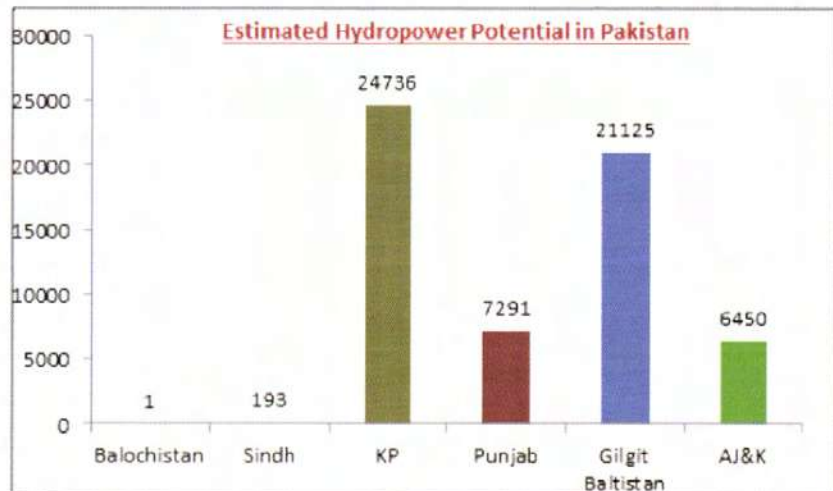
– Acceptance of Upfront Tariff by NEPR	:	6th April 2015
– Issuance of Letter of Support (LOS)	:	8th June 2015

LUCKY ELECTRIC POWER COMPANY LIMITED



2.4 Hydro based Power Projects being Processed by PPIB

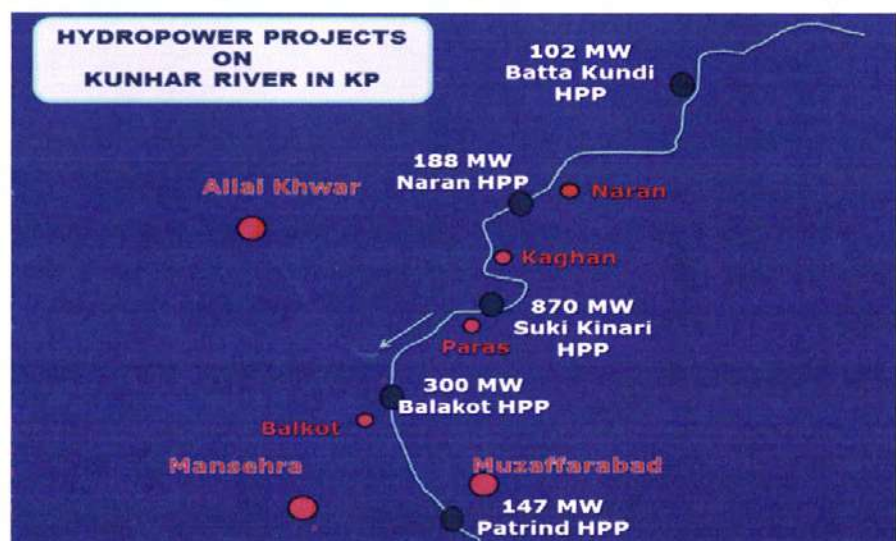
Hydropower is one of the best available options to generate electricity today and hydroelectric power provides almost one-fifth of the world's electricity. The world-over, hydropower projects are characterized with a variety of technical and economic constraints and bottlenecks, Pakistan being no exception. These include hydrological risks, resettlement and environmental issues, regulatory matters, market dynamics and financing problems. In the past no significant attention was paid to address these impediments in development of hydropower projects.



Pakistan is endowed with hydropower resources of about 60,000 MW, which lie in the Khyber Pakhtunkhwa (24,736 MW), Gilgit-Baltistan area (21,725 MW), Azad Jammu & Kashmir (6,450 MW) and Punjab (7,291 MW). Currently, total installed capacity of hydropower stations in the country is around 7000 MW which is 28% of total installed capacity of Pakistan's power sector. Efforts are being made at federal as well as provincial levels to harness maximum

potential. So far a number of small, medium and large size projects are being undertaken by the Federal government which are at different phases of processing and development.

PPIB is processing seventeen (17) hydropower projects of 6560 MW which are being developed at different locations of the country. Out of these, three projects of 2714 MW are being processed by PPIB under the China-Pakistan Economic Corridor. Brief description of PPIB's achievements and activities with regard to processing hydro based power generation projects during the year 2015-16 is produced below:



147 MW PATRIND HYDROPOWER PROJECT

Introduction:

The 147 MW Patrind HPP is Pakistan's first private sector hydropower project under 2002 Power Policy. The Project is located on river Kunhar and is a dual boundary project between Khyber Pakhtunkhwa and AJ&K. The Project is sponsored by K-Water & Daewoo E&C with lending from ADB, IFC, IsDB and KEXIM. After achievement of Financial Close in December 2012, the Project entered into construction phase. Upto June 2016, 94.62% construction works were completed and likely to be commissioned in first quarter of 2017. The Project has the ability to inject about 690 Million clean, reliable and affordable units of electricity annually in the national grid.



Salient Features

General

– Project Name	:	Patrind Hydropower Project
– Project Company	:	Star Hydropower Limited
– Project Sponsors	:	i) K. Water - Korea ii) Daewoo -Korea
– Project Consultants	:	i) FICHTNER GmbH (Germany) & ii) Pakistan Engg. Services (PES) Pakistan
– Location	:	Muzaffarabad AJ&K
– River	:	Kunhar River (at tributary of River Jhelum)

Technical

– Capacity	:	147 MW (As per approved Feasibility Study)
– Energy	:	690 GWh
– Project Type	:	Run-of-River with 26m Weir
– Tunnel Length	:	1.5 km
– Design Discharge	:	153 m ³ /s
– Gross Head	:	114.5 m
– Plant Factor	:	52.7%

Important Events

– Issuance of LOI	:	26th October 2005
– Approval of Feasibility Study	:	19th June 2007
– Issuance of Letter of Support (LOS)	:	30th June 2010
– Financial Close	:	20th December 2012
– Expected Completion Date (COD)	:	August 2017

Current Status:

- Till 30th June 2016, around 95% construction work has been completed.

102 MW GULPUR HYDROPOWER PROJECT

Introduction:

The Project is located on River Poonch in district Kotli, AJ&K and its development under 2002 Power Policy is being sponsored by renowned Korean investors KOSEP, DAELIM & LOTTE alongwith debt financing by renowned lenders KEXIM, ADB, IFC.

After ground breaking of Gulpur Hydro-Power Project by Honourable Prime Minister of Pakistan on 15th October 2015; the Project proponents achieved Financial Closing on 30th October 2015 and simultaneously started construction activities. The Project is

targeted to be commissioned in October 2019 which will then inject about 475 Million clean, reliable and affordable units of electricity annually in the national grid.



Salient Features

General

– Project Name	:	Gulpur hydropower Project
– Project Company	:	Mira Power Limited (MPL)
– Project Sponsors	:	Korea South Esat Power Company (KOSEP) SAMBU Korea, LOTTE Korea and STX Korea.
– Project Consultants	:	ACE & NESPAK
– Location	:	District Kotli
– River	:	Poonch

Technical

– Capacity	:	102 MW
– Energy	:	475 GWh
– Project Type	:	Run of River
– Tunnel Length	:	3.12 km
– Design Discharge	:	194 m ³ /S
– Gross Head	:	58m
– Plant Factor	:	52%

Important Events

– Issuance of Letter of Support (LOS)	:	27-04-2010
– Financial Closing Date	:	30-10-2015
– Start of Construction	:	30-10-2015
– Expected Completion Date (COD)	:	October 2019

Current Status:

- Construction activities at site are at full swing and PPIB is facilitating Project Sponsors in further expediting construction pace

720 MW KAROT HYDROPOWER PROJECT

Introduction:

Karot Hydropower Project is located on River Jhelum, District Rawalpindi, Punjab. It is included in Prioritized List of China Pakistan Economic Corridor (CPEC) Projects. Ground breaking of the Project was held in previous financial year (April 2015) during the visit of Chinese President to Pakistan. Since then, pre-construction activities like construction of access road/bridge, concrete batching plant, diversion tunnel, diversion tunnel adits and spillway etc. were started and substantially completed at Project Site.



Salient Features

General

– Project Name	:	Karot Hydropower Project
– Project Company	:	Karot Power Company (Pvt.) Limited
– Project Sponsors	:	(i) China Three Gorges South Asian Investment Limited-TGSAIL (ii) Focus Power Investment Limited
– Project Consultants	:	(i) M/s SMEC (Australia) (ii) Changjiang Survey, Planning, Design, Research Institute, China
– EPC Contractor	:	(i) Yangtze Three Gorges Technology & Economic Development Co. Ltd, (ii) China Machinery Engineering Corporation (CMEC)
– Location	:	Dual boundary of Distt. Rawalpindi, Punjab & District Kotli, AJK
– River	:	Jhelum River

Technical

– Capacity	:	720 MW
– Av. Annual Energy	:	3249 GWh
– Design Discharge	:	1200 m ³ /s
– Gross Head	:	78 m
– No. and Type of Units	:	4 Francis Turbine Units

Important Events

– Issuance of LOI	:	19th May 2007
– Approval of Feasibility Study	:	7th October 2009
– Feasibility stage Tariff	:	12th December 2012
– Issuance of Letter of Support (LOS)	:	29th August 2013
– EPC Stage Tariff	:	28th April 2016
– Financial Close	:	22nd February 2016
– Expected Completion Date (COD)	:	28th December 2021

Current Status:

- Financial Close is expected to be achieved by first quarter of 2017.
- Construction activities like construction of Access Road, Bridge, Concrete Batching Plant, Diversion Tunnel, diversion Tunnel Adits and Spillway etc. are in process.



870 MW Suki Kinari Hydropower Project

Introduction:

The 870 MW Suki Kinari Hydropower Project is located on river Kunhar, District Mansehra, Khyber Pakhtunkhwa. The project is sponsored by the consortium of (i) Al Jomaih Holding Company, Saudi Arab, China Gezhouba Group Company and M/s Haseeb Khan with the lending from Export-Import Bank of China & Industrial and Commercial Bank of China. This is one of the three hydropower projects being pursued by PPIB under the framework of CPEC.



Salient Features:

General

– Project Name	:	Suki Kinari Hydropower Project
– Project Company	:	SK Hydro (Pvt.) Limited
– Project Sponsors	:	i) Al Jomaih Holding Company, (LLC) Riyadh, Saudi Arabia ii) China Gezhouba Group Company iii) M/s. Haseeb Khan (Pvt) Ltd., Lahore
– Project Consultant	:	M/s Coney Blair of France and NESPAK for Engineering Design
– Detailed	:	
– Location	:	Distt. Mansehra, Khyber Pakhtunkhwa
– River	:	Kunhar River (a tributary of River Jhelum)
– Project Lenders	:	Export-Import Bank of China & Industrial and Commercial Bank of China

Technical

– Capacity	:	870.25 MW
– Energy	:	3081 GWh
– Project Type	:	Run-of-River
– Tunnel Length	:	21.5 km
– Design Discharge	:	115 m ³ /s
– Gross Head	:	912.5 m
– Plant Factor	:	40.41%

Important Events:

– Issuance of LOS to the Sponsors	:	19th July 2011
– Validity of LOS	:	31st December 2016
– Financial Closing Expected by	:	31st December 2016
– Expected Completion Date (COD)	:	Dec-2022

Present Status:

- Financial Close expected by end of 2016.



1124 MW KOHALA HYDROPOWER PROJECT

Introduction:

Kohala Hydropower Project is largest private sector hydropower project being pursued by PPIB under the framework of CPEC. The Project has the ability to generate 1124 MW to the national grid.

Salient Features

General

– Project Name	:	Kohala Hydropower Project
– Project Company	:	China International Water & Electric Company (CWE)
– Project Sponsors	:	CWE / CWE Investment Company / China Three Gorges Corporation
– Project Consultant	:	BIDR (Befang Investigation, Design & Research Co.)
– Location	:	Dam/Weir near Siran & Power House near Barsala/Kohala
– River	:	Jhelum

Technical

– Capacity	:	1124 MW
– Energy	:	5,149 GWh/ annum
– Project Type	:	Run of River with 52m Weir
– Tunnel Length	:	17.4 x 2 km
– Design Discharge	:	425 m ³ /s
– Gross Head	:	328 m
– Plant Factor	:	52.29%
– Construction Period	:	6.5 Years
– Project Term	:	30 Years

Important Events

– Signing of MOU b/w M/o W&P and CWEI	:	October 2008 (during visit of President of Pakistan to China)
– Issuance of LOI for review, updating of FS	:	16th January 2009
– Approval of AJ&K Council	:	31st July 2009
– Approval of updated Feasibility Study	:	20th April 2010
– Approval of ECC	:	30th June 2011
– Submission of negotiated tariff to NEPRA	:	23rd April 2014
– Approval of FS Tariff by NEPRA	:	9th April 2015
– Issuance of Letter of Support (LOS)	:	31st December 2015
– Approval of Revised technical report	:	17th May 2016
– Financial Close	:	31st December 2017
– Expected Completion Date (COD)	:	2023-24

Present Status

- Revised technical report based on detailed site investigations, submitted by Sponsors has been approved by the POE.

- Land demarcation alongwith paper works almost completed. Land acquisition process in districts Hattian & Muzaffarabad through submission of Form 3A for Section-4 has been initiated
- Environmental & Social Impact Assessment study is being updated
- Transmission interconnection study has been conducted
- Hiring of owner engineer through ICB has been completed
- Selection of EPC contractor through ICB is under process.
- Negotiation on GOPIA and PPA has been initiated.
- The Project is expected to achieve Financial Close within the stipulated time i.e 31st December 2017.



590 MW MAHL HYDROPOWER PROJECT

Introduction

Mahl hydropower project is located on River Jhelum at dual boundary between Punjab (district Rawalpindi) and AJ&K (district Bagh). The Project is being developed by investment arms of China Three Gorges Corporation under 2002 Power Policy.

Salient Features

General:

– Project Name	:	Mahl Hydropower Project
– Project Company/Sponsors	:	CWE Investment Corporation China, a subsidiary of China Three Gorges (CTG) & Trans Tech Pakistan
– River	:	Jhelum
– Location	:	On Dual Boundary of Punjab and AJ&K
– Distance	:	100 km from Islamabad

Technical:

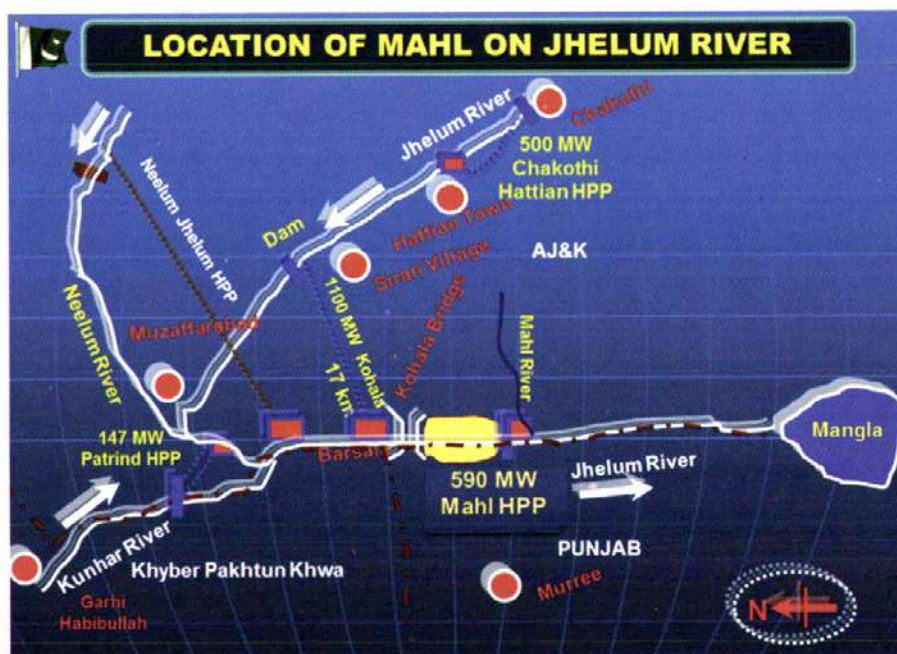
– Project Type	:	Run of the River
– Capacity	:	590 MW (Approx.)
– Energy	:	3668 GWh
– Design Discharge	:	1200 m ³ /s
– Gross Head	:	59 m
– Plant Factor	:	55 %

Important Events:

– Issuance of LOI	:	21st October 2014
– 1st meeting of Panel of Experts (POE)	:	21st January 2015
– 2nd meeting of POE	:	17th June 2015
– Completion of Feasibility Study	:	20th April 2016

Current Status:

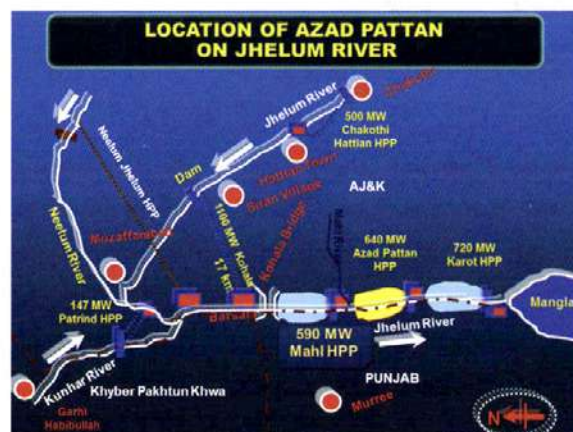
- Feasibility Study of the Project has been completed and approved by the POE.
- Sponsors are in process of Filing Tariff petition before NEPRA



640 MW AZAD-PATTAN HYDROPOWER PROJECT

Introduction

This dual boundary Project is located on River Jhelum, District Sudhnoti in AJ&K and District Rawalpindi, Punjab. Following fulfilment of requirements for issuance of Letter of Support, PPIB issued LOS to Azad-Pattan Power (Pvt) Limited owned by Power Universal Investment Company Ltd a subsidiary of China Gezhouba Group Company (CGGC Overseas & CGGC Engineering) on 30th June 2016. Sponsors have selected EPC Contractor and started various activities like land acquisition process, submission of EPC Stage tariff to NEPRA, financing arrangement etc. in order to achieve financial close within the stipulated time under the LOS.



Salient Features

General

– Project Name	:	Azad Pattan Hydropower Project
– Project Company	:	Azad Pattan Power Pvt. Limited, Pakistan
– Project Sponsors	:	i) M/s Alamgir Power (Pvt.) Ltd ii) M/s CWE of China
– Location	:	Distt. Sudhnoti, AJ&K
– River	:	Jhelum River

Technical

– Capacity	:	640 MW
– Energy	:	3075 GWh
– Project Type	:	Run of River with 65m high Dam
– Tunnel Length	:	0.5Km
– Design Discharge	:	1200 m ³ /s
– Gross Head	:	63m
– Plant Factor	:	55 %

Important Events

– Issuance of LOI	:	27th April 2007
– Expiry of Original LOI	:	26th April 2009
– 1st Extension in LOI upto	:	27th April 2010
– 2nd Extension in LOI upto	:	26th June 2011
– Submission of Feasibility Study	:	20th June 2011
– Approval of Feasibility Study	:	20th December 2011
– Issuance of LOS	:	30th June 2016
– Expected Completion Date (COD)	:	June 2024

Current Status:

- Project Sponsors are pursuing their Project for achieving Financial Close. PPIB in this regard is extending its support in various matters leading to Financial Close at earliest.

548 MW KAIGAH HYDROPOWER PROJECT

The Project Site is located in the remote area of Kandiah Valley in Khyber Pakhtunkhwa province. After approval of Feasibility Study by Panel of Experts, sponsors submitted the Feasibility Stage Tariff petition to NEPRA in February 2015. Hearings on the Tariff petition have been held in NEPRA and outcome on the same is expected shortly. After determination of tariff by NEPRA, Sponsors shall be advised by PPIB to complete the codal formalities leading to issuance of Letter of Support.



Salient Features

General

– Project Name	:	Kaigah Hydropower Project
– Project Sponsors	:	i) M/s Telecom Valley (Pvt) Ltd ii) Assmandal Trading Agency iii) Central China Group
– Location	:	Near Dasu, Distt. Kohistan, (KP)
– River	:	Kandiah River

Technical

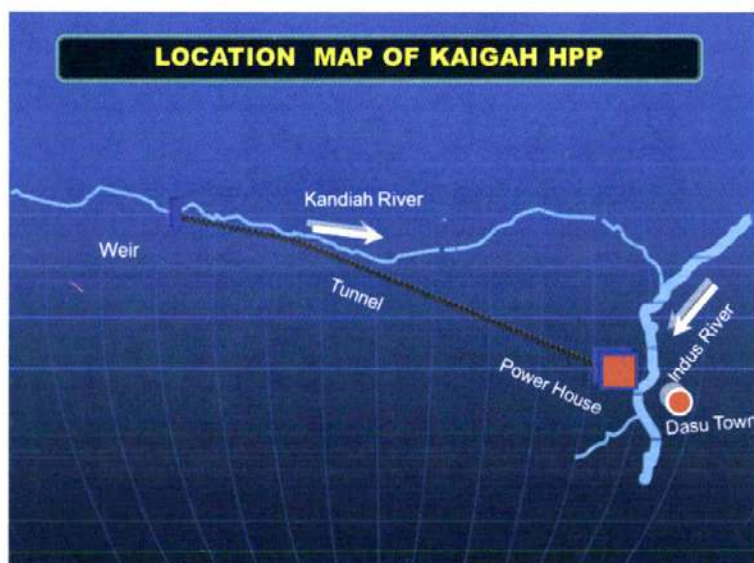
– Capacity	:	548 MW
– Project Type	:	Run of River with 100m Dam
– Tunnel Length	:	22.5Km
– Design Discharge	:	135m ³ /s

Important Events

– Issuance of LOI	:	20th February 2008
– Expected Completion Date (COD)	:	December 2024

Current Status:

- Feasibility Study of the Project has been completed.
- Sponsors have submitted Feasibility level tariff petition to NEPRA on 25th August 2015 which is under process.



350 MW ATHMUQAM HYDROPOWER PROJECT

Introduction:

Athmuqam Hydropower Project to be located on River Neelum in AJ&K. Expressions of Interest (EOIs) for development of the Project under 2015 Power Policy were invited internationally on 14th January 2016 with 20th April 2016 as the cut-off date for receipt of proposals. In response six proposals from Chinese & Korean origin investors were received and opened publically by the Committee. These proposals were forwarded to independent consulting firm for evaluation. PPIB in the light of evaluation report is in the process of issuing LOI to the Sponsors subject to the completion of codal formalities.

Salient Features

– Project Name	:	Athmuqam Hydropower Project
– Location	:	District Neelum
– River	:	Neelum
– Distance	:	84-100 km from Muzaffarabad

Technical

– Capacity	:	350 MW
– Project Type	:	Run of the River
– Design Discharge	:	250 m ³ /s

Current Status:

- Expressions of Interest (EOIs) were invited through national & international press. The proposals received were evaluated by Independent Consultant.
- In the light of evaluation report, PPIB is in the process of issuing Letter of Interest to the successful Sponsors.



58 MW TURTONAS-UZGHOR HYDROPOWER PROJECT

Turtonas-Uzghor Hydropower Project is Raw Site Run of River scheme identified to be located on Golen Gol River in Chitral Valley, Khyber Pakhtunkhwa. The proposals (EOIs) were invited under the provision of Power Generation Policy 2015 in the national and international print media on 14th January 2016 with 20th April 2016 as the cut-off date for receipt of proposals. In response three proposals from Chinese & Pakistani origin investors were received and opened publically by the Committee. Subsequently, these proposals were forwarded to independent consulting firm for evaluation.



Salient Features

General

– Project Name	:	Turtonas-Uzghor Hydropower Project
– Location	:	Mastuj Town, 22 km north-east of Chitral Town
– River	:	Golen Gol

Technical

– Capacity	:	58 MW
– Energy	:	254 GWh
– Project Type	:	Run-of-River
– Tunnel Length	:	4 km
– Diameter of Tunnel	:	5.0 m
– Design Discharge	:	20 m ³ /s
– Gross Head	:	351 m
– Plant Factor	:	50%
– Type of Weir	:	Weir with Lateral Intake
– Height of Weir	:	12 m
– Length of Weir Foundation	:	70 m
– No. of Flood Gates	:	1
– No. of Units	:	2 Pelton Turbines

Current Status:

- Expression of Interest (EOIs) were invited through national & international press. The proposals received were evaluated by Independent Consultant and evaluation report was forwarded to PPIB.
- In the light of evaluation report, PPIB is in the process of issuing Letter of Interest to the successful Sponsors.

2.5 Other activities related to Hydropower Projects

- In order to support hydropower development by provinces/AJ&K, PPIB actively participated in various meetings including AJ&K PDO Board.
- Moreover feasibility studies of about ten hydropower projects initiated by Punjab & AJ&K were reviewed besides certifications of few towards materialization of small projects under upfront tariff regime. Further, PPIB facilitated provinces towards materialization of tri-partite regime for development of hydropower projects initiated by provinces/AJ&K, besides development of security package.

2.6 R-LNG based Power Projects being Processed by PPIB

In order to ensure elimination of load-shedding at earliest, power projects are being implemented in public sector through independent special purpose vehicle companies by Provincial as well as Federal Governments alongside private sector projects. For developing 1180 MW R-LNG based power project at Bhikki, the Government of Punjab has incorporated Quaid-e-Azam Thermal Power (Pvt) Limited (QATPL), while National Power Park Management Company Limited (NPPMCL) has been incorporated by the Federal Government for establishing R-LNG based Power Projects at Balloki and Haveli Bahadur Shah. For establishing these projects, both the Provincial and Federal Governments desired that the incentives, concessions and facilitation by PPIB should also be provided to these companies under the applicable policies similar to other Independent Power Producers in the private sector.

Recognizing PPIB's success in attracting private investment, and to get the benefits of PPIB's rich experience in dealing with private sector for power generation, the GoP decided to entrust additional responsibility of handling specified public sector power projects to PPIB, for which PPIB's Act has been amended accordingly.

Through this arrangement, PPIB is handling 1230 MW R-LNG based power project at Haveli Bahadur Shah, 1223 MW project at Balloki and 1180 MW project at Bhikki which are being processed under the Power Generation Policy 2015. These projects were initiated under the Clean-Affordable-Reliable-Energy (CARE) initiative which is an integrated approach towards sustainable energy for Pakistan. Status alongwith major activities carried out for the development of these projects during the year 2015-16 is as follows:

(A) 1180 MW R-LNG Based Power Project by Quaid-e-Azam Thermal Power (Pvt.) Ltd., Govt. of Punjab

PPIB issued Notice to Proceed (NTP) to special purpose company namely Quaid-e-Azam Thermal Power (Pvt.) Ltd.(QATPL) established by Energy Department, Government of Punjab (GoPb) for development of R-LNG based power plant at Bhikki, Sheikhpura.

The Letter of Intent (LOI) to QATPL was issued on 13th July 2015 by PPIB under the Power Generation Policy 2015. PPIB Board during its 104th meeting approved issuance of Letter of Support (LOS) to QATPL which was issued on 9th May 2016. The total project cost is USD 919.80 Million. The construction activities at site commenced on 15th October 2015.

This power plant is being constructed with General Electric (GE)'s world class air-cooled multi-shaft H-Frame Combined Cycle Gas Turbines (CCGT) which ensure highest efficiency in the industry i.e. greater than 61%; and reduce fuel costs and CO₂ emissions over the life of the power plant.

The power plant is envisaged to be one of the largest utility scale thermal power plants in the country with lower operating cost and reduced emissions. The IPP is moving ahead at a fast pace to achieve open cycle operations in first quarter of 2017 and commercial operations by December 2017.

(B) 1230 MW RLNG Based IPP Project at Haveli Bahadur Shah by National Power Parks Management Company (Private) Limited

In order to ensure access to reliable, affordable and uninterrupted supply of energy, the Government of Pakistan decided to inject around 2400 MW into the national system by forming a special purpose company i.e. National Power Parks Management Company Private Limited (NPPMCL) under the auspices of Ministry of Water & Power. NPPMCL is developing two state of the art R-LNG based Combined Cycle Power Plants; 1230 MW CCPP at Haveli Bahadur Shah, Jhang and 1223 MW CCPP at Balloki, District Kasur.

PPIB issued Notice to Proceed to NPPMCL on 15th March 2016 while LOI was issued on 12th April 2016 for development of the 1230 MW R-LNG based project at Haveli Bahadur Shah. The total project cost is USD 913.4 million.

The construction activities at project site commenced on 13th October 2015 (EPC signing date). This power plant is being constructed with General Electric (GE)'s world class air-cooled multi-shaft H-Frame Combined Cycle Gas Turbines (CCGT) which ensure highest efficiency in the industry i.e. greater than 61%; and reduce fuel costs and CO₂ emissions over the life of the power plant.

The Project is expected to achieve open cycle operations of the plant by summer of 2017 and commercial operations by January 2018.

(C) 1223 MW RLNG Based IPP Project at Balloki by National Power Parks Management Company (Private) Limited

In accordance with GOP's decision to induct 2400 MW R-LNG based power plants, NPPMCL is also developing a 1223 MW R-LNG based Combined Cycle Power Plant at Balloki, District Kasur.

PPIB issued Notice to Proceed to NPPMCL on 15th March 2016 while LOI was issued on 12th April 2016 for development of the 1223 MW R-LNG based project at Balloki. The total project cost is USD 864.70 million.

The construction activities at project site commenced on 2nd November 2015. Like two other R-LNG based IPPs, this power plant is also being constructed with General Electric (GE)'s world class air-cooled multi-shaft H-Frame Combined Cycle Gas Turbines (CCGT) which ensure highest efficiency in the industry i.e. greater than 61%; and reduce fuel costs and CO₂ emissions over the life of the power plant.

The Project is expected to achieve open cycle operations by August 2017 and commercial operations by January 2018.

2.7 International Competitive Bidding conducted for R-LNG based IPPs with Cumulative Capacity of 1000 MW

In a high level meeting held on 26th November 2015, it was informed that the GoP has decided to initiate work for development of 1000 MW R-LNG based IPPs through International Competitive Bidding (ICB). The proposed plants were either be located at the existing sites of GENCO plants or in the vicinity of

existing grid stations / transmission lines, gas supply network of SNGPL/SSGCL, infrastructure facilities, etc. The PPIB Board in its 103rd meeting approved the 1000 MW R-LNG initiative and draft Requests for Proposals (RFPs). The ECC approved the Framework and Security Documents for the Initiative on 29th January 2016.

As per ECC approved Framework, the sites, sizes and RFPs were finalized in consultation with the stakeholders and approved by NEPRA on 10th February 2016 for following IPPs:

GENCOs Sites:

- 200-225 MW IPP at the existing site of GTPS & SPS Faisalabad, Punjab
- 200-225 MW IPP at the existing site of NGPS Piranghaib, Multan, Punjab

Greenfield Sites:

- 150 (\pm 10%) MW IPP at NawabShah, Sindh
- 200 (\pm 10%) MW IPP at/near Arain Road, Sukkur, Sindh
- 200 (\pm 10%) MW IPP at Sheikhpura, Punjab

A single stage, two-envelope bidding / evaluation process was adopted. Bidders were required to offer discount on Benchmark Tariff i.e. NEPRA's Upfront Tariff for R-LNG based IPPs dated 3rd April 2015.

An advertisement was published in national and international press on 10th February 2016. By the deadline of 30th March 2016, 24 RFPs were issued however no party purchased RFP for the project at Nawab Shah. The Bids were opened on 5th April 2016 by the Bid Evaluation Committee (the Committee).

PPIB Board in its 105th meeting approved Evaluation Reports on Technical Bids (Envelope-I) & Financial Bid (Envelope-II) and also approved submission of the case for 220 MW R-LNG based power project at Sheikhpura by Atlas Power Ltd. alongwith the Evaluation Reports and other documents to NEPRA. NEPRA on 12th May 2016 approved the Evaluation Reports and declared APL as first ranked bidder (the successful bidder) in the bidding process in accordance with the NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations 2014.

Subsequently, the competent authority deliberated that the idea was to induct 1000 MW generation capacity, of which around two third would be available before summer 2017; thus the deadline for open cycle operation was set as 30th April 2017. However, the initiative could only result in capacity addition of 220 MW of which only 147 MW could be available in open cycle mode, the achievement of which is also not certain by the target date of 30th April 2017 as only ten months were left. The competent authority, therefore, decided not to proceed further.

2.8 Transmission Line Project

Current transmission and distribution system plagued with constraints and bottlenecks has been a major challenge, for successfully inducting new generation. Merely establishing new power generation plants without adequate augmentation in the transmission system would not serve the purpose. Government of Pakistan being well aware of the situation has decided to induct private sector and accordingly announced "Policy Framework for Private Sector Transmission Line Projects 2015" (Transmission Line Policy) in January, 2015. Under the Policy, PPIB is mandated to provide one window facility to investors and to coordinate with all the agencies and ministries for implementation of transmission system projects. Currently PPIB is facilitating the \pm 660 kV Matiari-Lahore HVDC Transmission Line Project which is progressing satisfactorily. Brief on the project is as follows:



±660 kV HVDC MATIARI-LAHORE TRANSMISSION LINE PROJECT

Introduction:

National Transmission & Despatch Company Ltd. (NTDCL) signed Cooperation Agreement with State Grid Corporation of China (SGCC) on 20th April 2015 for development of (i) Matiari-Lahore Transmission & Transformation Project and (ii) Matiari/ Port Qasim -Faisalabad Transmission & Transformation Project. As per the Cooperation Agreement, the Matiari-Lahore High Voltage Direct Current (HVDC) Transmission Project shall be implemented under the Agreement on China Pakistan Economic Corridor (CPEC) Energy Project Cooperation between China & Pakistan, and the Policy Framework for Private Sector Transmission Line Projects, 2015. Under the Cooperation Agreement, SGCC nominated its subsidiary, i.e. China Electric Power Equipment & Technology Company Ltd. (CET) to be the EPC Contractor to develop the transmission line projects on build, own, operate & transfer (BOOT) model.

NTDCL has conducted feasibility study with the assistance of CET and confirmed ±660 kV HVDC transmission line as the most viable option for power evacuation from south to up-country load centres. The 3rd meeting of Energy Working Group for CPEC was held on 25th August 2015 to inter-alia review progress of CPEC projects, wherein Matiari-Lahore and Matiari-Faisalabad transmission line projects were proposed to be undertaken by State Grid. Subsequently, 5th JCC meeting was held on 12th November 2015 wherein it was inter-alia agreed to encourage State Grid negotiating with Ministry of Water & Power (MoW&P) and NTDCL. Subsequently, as decided during a high level meeting, PPIB filed tariff petition to National Electric Power Regulatory Authority (NEPRA) for Matiari-Lahore ±660 kV HVDC Transmission Line Project on the basis of financial and technical data received from CET.

The tariff petition has been accepted by NEPRA and a public hearing has also been held on 24th March 2016. During its 105th meeting on 3rd May 2016, the PPIB Board ratified the filing of Tariff Petition before NEPRA for the Matiari-Lahore ±660 kV HVDC Transmission Line Project by PPIB and to perform all actions, deemed appropriate and necessary or incidental in relation thereto.

Salient Features of Project

- Project Name : Matiari-Lahore HVDC Transmission Line Project
- Sponsors : China Electric Power Equipment & Tech. Co. Ltd (CET)/ State Grid Corporation of China (SGCC)
- Location : Matiari to Lahore (approx. 878 km)
- Capability : 4000 MW
- Rating of Transmission Line : ±660 kV
- Technology : Bipole HVDC Transmission Line with Ground Return alongwith Converter & Grounding Electrode Stations

Important Events

- Signing of Cooperation Agreement
b/w NTDCL and SGCC : 20th April 2015
- Tariff Petition filed by PPIB : 8th February 2016

Present Status

- Cooperation Agreement was signed between NTDCL and SGCC on 20th April 2015.
- Upon directions of MoW&P, PPIB filed Petition to NEPRA on 8th February 2016 for determination of Tariff for the Project.
- NEPRA's determination of Tariff for the Project is under process till 30th June 2016.



This Project is not only the first transmission line project being developed by the private sector but it will also be the first ever HVDC transmission line in Pakistan which features converter stations at both ends and grounding electrode stations near Lahore and Matiari. The HVDC transmission system offers many advantages for power transmission over longer distances in terms of more transmission capacity, lesser losses and cost effectiveness etc. This project will open new horizons through introduction of HVDC technology in Pakistan.



MAJOR ACHIEVEMENTS / ACTIVITIES DURING 2015-16



3.1 Major Achievements / Activities During 2015-16

PPIB played vital role in materializing government's commitment to overcome the energy shortfalls by arranging sustainable and affordable power generation to the national grid. Some of the major achievements / activities of PPIB during the year 2015-16 are outlined as follows:

- **Mandate of Processing Public Sector Power Generation Projects**

While arranging required capacity additions, the GoP also planned to utilize R-LNG for producing affordable power generation in public sector through independent special purpose companies with the objective to process these projects in IPP mode, so that the incentives, concessions and facilitation by PPIB should also be provided to these companies under the applicable policies similar to other IPPs in the private sector. For this purpose, keeping in view the IPPs model for implementation of projects and bringing transparency and efficiency in the implementation and operation of private sector projects, PPIB has been mandated to facilitate public sector projects in IPP mode under the Power Generation Policy 2015 for which PPIB's Act has been amended in November 2015.

- **Issuance of Tripartite Letter of Support by PPIB**

To remove major bottleneck in the development of power projects in the private sector through provinces, particularly the small hydro projects, PPIB has started issuing tripartite Letters of Support for projects being processed by Provinces which will open doors for development of small to medium power projects based on local resources.

- **Power Generation Policy 2015**

For accommodating new fuels like Coal and LNG, provide incentives to investors & lenders to remove the bottlenecks, PPIB played proactive role for the development of "Power Generation Policy 2015" of the government of Pakistan. It is best aligned with the international standards and offers improved/simplified procedures and lucrative incentives to the interested investors for establishing power projects in the country.

- **Transmission Line Policy 2015**

PPIB played pivotal role in the formulation of Transmission Line Policy 2015 titled "Policy Framework for Private Sector Transmission Line Projects 2015" (Transmission Line Policy) for attracting private capital in the Transmission Line Projects. The Transmission Line Policy 2015 also contains attractive set of incentives to the investors for setting up Transmission Line Projects in the Private Sector. Under the Policy, PPIB is mandated to act as one-window facilitator for the investors and to coordinate with all the agencies and ministries for implementation of transmission line projects.

Currently PPIB is implementing first ever HVDC Matiari-Lahore Transmission Line Project of country, whereas planning to advertisement more new Transmission Line Projects in accordance with the Transmission Line Policy 2015 in near future

- **Upfront Tariff**

In order to minimize procedural processes, save time of tariff approvals/reviews and facilitate investors in carrying out their own due diligence regarding financial viability / acceptability of the tariff, PPIB provided valuable inputs for formulating upfront tariff for projects based on Imported & Local Coal, Gas/RFO based combined cycle power projects and HVDC Transmission Line Project in consultation with various stakeholders. During 2015-16, PPIB provided facilitation to various under process IPPs on matters related to Tariff preparation.

PPIB maintains close liaison with NEPRA to expedite determination / announcement of Tariffs for various fuels/technologies

– **Standardized Security Package Agreements**

Through the relentless efforts of PPIB, the Standardized Security Package Agreements for Hydro, Coal, RLNG Power Projects & Transmission Line Projects and also the Supplemental Agreement for CPEC projects were finalized after protracted meetings with all stakeholders from public and private sectors and international professionals.

PPIB exhibited significant progress in advancing various power generation projects. 2015-16 was very critical in term of accomplishing various milestones like issuance of Letters of Interest, Letters of Support, Security Package Agreements (Power Purchase Agreement, Implementation Agreement, Coal Supply Agreement etc), Land Acquisition, Achievement of Financial Closing, Ground breaking and Construction Start etc.

Detail of LOIs, IA/PPAs, LOSs and FCs achieved by various ongoing IPPs during 2015-16 is produced as follows:

– **Issued Letters of Interest to:**

- 1180 MW RLNG based Power Project at Bhikki by QATPL on 13.07.2015
- 1320 MW Thar Coal based Power Project at Thar Block-I by Shanghai Electric on 21.08.2015
- 1223 MW RLNG based Power Project at Balloki by NPPMCL on 12.04.2016
- 1230 MW RLNG based Power Project at Haveli Bahadur Shah by NPPMCL on 12.04.2016

– **Executed Security Package Agreements (IA& PPA) with:**

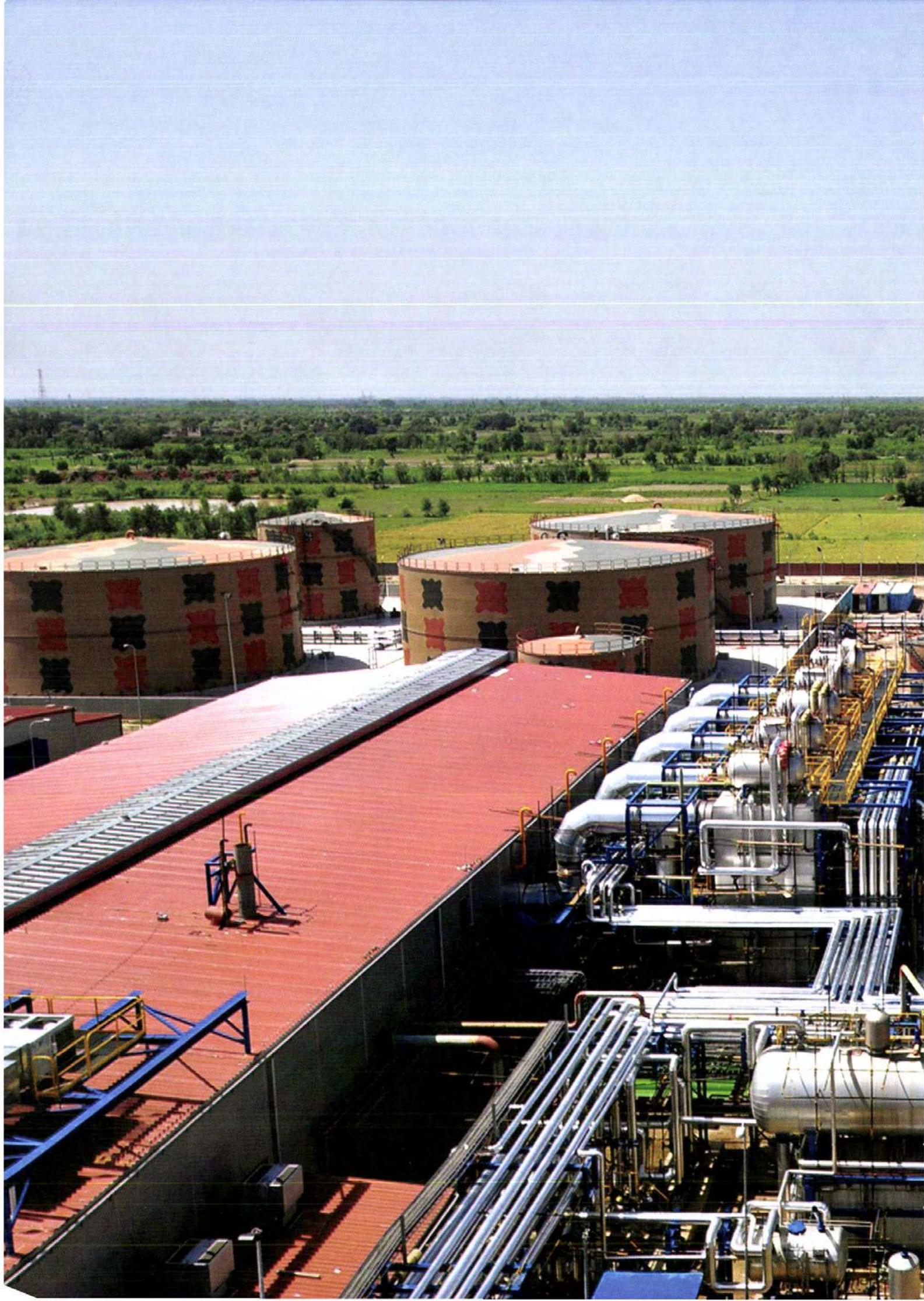
- 1320 MW Imported Coal based Sahiwal Power Project at Sahiwal by Huaneng Ruyi on 11.07.2015
- 163 MW Imported Coal based Grange Power Project at Arifwala by Grange Power on 19.04.2016 (PPA) and 14.06.2016 (IA).

– **Issued Letters of Support to:**

- 1180 MW RLNG based Power Project at Bhikki by QATPL on 09.05.2016
- 1320 MW Imported Coal based Power Project at Hub by HUBCO on 21.04.2016
- 330 MW Imported Coal based Power Project at Port Qasim by Siddiqsons on 31.08.2015 (the project was later converted on Thar Coal).
- 1124 MW Kohala Hydropower Project on 31.12.2015
- 640 MW Azad Pattan Hydropower Project on 30.06.2016

– **Financial Close achieved and construction started by :**

- 102 MW Gulpur Hydropower Project on 30.10.2015
- 1320 MW Imported Coal based Power Project at Port Qasim by Sinohydro/AI-Mirqab on 22.12.2015
- 660 MW Thar Coal based Power Project at Thar Block-II by Engro Powergen on 04.04.2016



MISCELLANEOUS ACTIVITIES





FUTURE PLANS



5.1 Future Plans

PPIB is currently handling thirty two (HYDRO, COAL and RLNG/GAS) power projects of more than 19000 MW and committed to bring online maximum megawatts of affordable electricity as quickly as possible (portfolio of projects being facilitated is given below). PPIB is committed to continue its facilitation for 2016-17 to ensure affordability, sustainability & environmental protection in arranging additional megawatts. PPIB has a track record of successful facilitation of IPPs under the Power Policies 1994, 1995 and 2002 and vows to continue the same with more passion and determination in future. PPIB achieved tremendous advancement in the power sector of the country during last couple of years, as a result various projects have accomplished critical milestones such as completion of Feasibility Studies, Issuance of LOI & LOS, Execution of Security Package Agreements, Financial Closures and starting construction activities. Besides facilitating ongoing projects, PPIB plans to advertise two hydropower projects in the near future. Brief description of these projects is as follows:

80 MW NECKEHERDIM-PAUR HYDROPOWER PROJECT

Introduction

Neckeherdim-Paur Project is located in Yarkun Valley on Yarkun River which is upper part of Mastuj River, about 70 km north-east of Mastuj Town and 178 km north-east of Chitral Town. PPIB Board in its 102nd Meeting directed advertisement of the Project. Accordingly, solicitation of proposals from potential investors will be invited shortly through print/electronic media.

Salient Features

General

- Project Name : Neckeherdim-Paur Hydropower Project
- Location : 70 Km north-east of Mastuj Town, 178 km north-east of Chitral
- River : Yarkun

Technical

- Capacity : 80 MW
- Energy : 321 GWh
- Project Type : Run-of-River
- Tunnel Length : 17.3 km
- Diameter of Tunnel : 4.6 m
- Design Discharge : 30 m³/s
- Gross Head : 341 m
- Plant Factor : 45.8%
- Type of Weir : Weir with Lateral Intake
- Height of Weir : 15 m
- Length of Weir : 300 m
- No. of Units : 2 Pelton Turbines



Current Status:

- PPIB is in the process of inviting proposals from private sector through national & international press for development of Project.

197 MW KALAM-ASRIT HYDROPOWER PROJECT

Introduction

The Kalam-Asrit Hydropower Project to be located on Swat River in District Swat of Khyber Pakhtunkhwa Province. The weir is suggested to be located at the village Kalam (a famous tourist resort) about 1 km downstream the confluence of Gabral River and Ushu River (originating from Ushu Glacier), which converge to form Swat River. The proposed weir site is next to the powerhouse site of upstream Gabral-Kalam Hydropower Project. The proposed headrace tunnel will run on the right side of Swat valley, parallel to the Swat River, straight down to the village Asrit. The approximate road distances upto the powerhouse site of the Project is given as under:

Islamabad to Mingora	300 km
Peshawar to Mingora	240 km
Mingora to Asrit	105 km

Salient Features

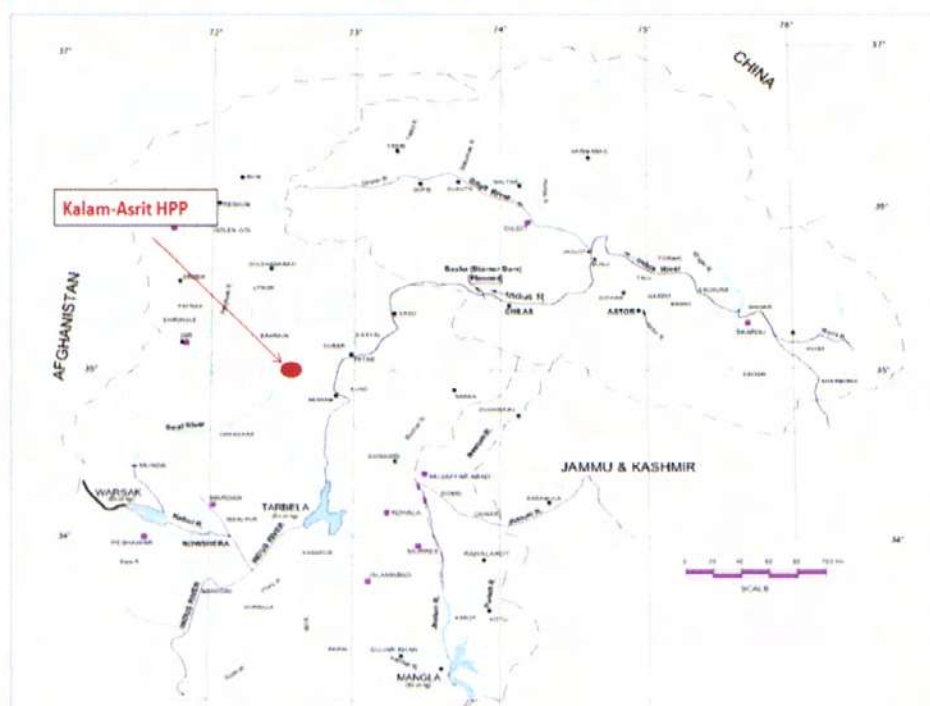
The tentative salient features of the Project are as under: -

River	:	Swat River
Location	:	District Swat (upstream of Gabral-Kalam & Downstream of Asrit- Khedam)
Distance	:	405 km from Islamabad 345 km from Peshawar

Technical/Financial

Capacity	:	197 MW (Estimated)
Project Type	:	Run-of-River
Mean Annual River Flow	:	86 m ³ /sec.
Status	:	Raw Site

Location Map of 197 MW Kalam-Asrit Hydropower Project



Portfolio of upcoming IPPs

Sr. #	Project	Sponsor/ Company Name	Location	Fuel	Capacity (MW)
1	1320 MW Imported coal based Power Project at Qadarabad Dist Sahiwal	Huaneng Shandong Ruyi (Pakistan) Energy (Pvt) Limited	Qadarabad, District Sahiwal	Coal	1320
2	2x330 MW Thar Coal based	Engro Powergen Thar Limited Power Project	Thar Block-II, Sindh	Coal	660
3	1320 MW Imported coal based Power Project	Sinohydro Resources Limited, China / Al Mirqab Capital, Qatar	Port Qasim, Karachi	Coal	1320
4	163MW imported coal based Power Project at Arifwala Punjab	Grange Power Limited	Arifwala, Punjab	Coal	163
5	660 MW Imported coal based Power Project near Port Qasim	Lucky Electric Power Company Limited	Port Qasim Karachi	Coal	660
6	350 MW Imported coal based Power Project at Port Qasim Karachi	Siddiqsons Limited	Port Qasim Karachi	Coal	350
7	1320 MW Thar Coal based Power Project	Shanghai Electric	Thar Block-I, Sindh	Coal	1320
8	1320 MW Imported coal based Power Project at HUB Balochistan	Hub Power Company	HUB, Balochistan	Coal	1320
9	1320MW Thar coal based Power Project	Oracle Coal Fields PLC England	Thar Block VI, Sindh	Coal	1320
10	330 MW HUBCO	Thar Energy Ltd	Thar Block-II	Coal	330
11	330 MW ThalNOVA	THALNOVA	Thar Block-II	Coal	330
Sub-total (Coal)					9093
12	Patrind Hydropower Project	Star Hydropower Limited	Kunhar River, KP/AJ&K	Hydel	147
13	Gulpur Hydropower project	Mira Power Ltd	Poonch River/Gulpur, AJ&K	Hydel	102
14	Sehra Hydropower Project	Farab Energy & Water Project, Iran	Poonch River, AJ&K	Hydel	130
15	Karot Hydropower Project	Karot Power Company Pvt Ltd	Jehlum River, Distt. Rawalpindi Punjab	Hydel	720
16	Suki Kinari Hydropower Project	S.K Hydro Pvt Ltd	Kunhar River/Mansehra, KP	Hydel	870
17	Azad Pattan Hydropower Project	Alamgir Power Pvt Ltd	Jehlum River/Sudhnoti, AJ&K	Hydel	640
18	Chakothi-Hattian Hydropower Project	Suhail Jute Mills Ltd	Muzaffarabad, AJ&K	Hydel	500
19	Madian Hydropower Project	Cherat Cement PAK	Swat River, KP	Hydel	157
20	Asrit-Kedam Hydropower Project	Younas Brothers Group	Near Kalam/swat River, KP	Hydel	215
21	Kohala Hydropower Project	China International Water & Electric Company	Jehlum River/Kohala, AJ&K	Hydel	1124
22	Kaigah Hydropower Project	Telecom Valley Pvt Ltd	Kaigah/Indus River, KP	Hydel	548
23	Mahl Hydropower Project	CWE Investment Corporation/ China Three Gorges & Trans Tech Pakistan	Jhelum River, AJ&K/Punjab	Hydel	590
24	Athmuqam Hydropower Project	Project advertised in January 2016. Proposals received are under evaluation	Neelum River, AJ&K	Hydel	350

25	Turtonas-Uzghor Hydropower Project	Project advertised in January 2016. Proposals received are under evaluation	Golen Gol River, Chitral Valley KP	Hydel	58
26	Rajdhani Hydropower Project	Proposals under evaluation	Poonch River AJ&K	Hydel	132
27	Neckeherdim Hydropower Project	To be advertised shortly	YarKun River, Chitral Valley KP	Hydel	80
28	Kalam-Asrit-Hydropower Project	To be advertised shortly	Swat River, Swat, KP	Hydel	197
Sub-total (Hydro)					6560
29	RLNG based Project at Bhikki	QATPL	Bhikki, Punajb	RLNG	1180
30	RLNG based Project at Balloki, Punjab	NPPMCL	Balloki, Punjab	RLNG	1223
31	RLNG based Project at Haveli Bahadur Shah, Punjab	NPPMCL	Haveli Bahadur Shah, Punjab	RLNG	1230
32	Kandra Power Project	Kandra Power Co. Ltd	Near Sukkur, Sindh	Gas	120
Sub-total (R-LNG/Gas)					3753
Grand Total (COAL/HYDRO/RLNG/GAS)					19406



PICTORIAL COVERAGE IN MEDIA



Board Meetings



Federal Minister for Water and Power, Khawaja Muhammad Asif President over 106th Board Meeting of Private Power and Infrastructure Board to Review the Progress of ongoing Power Projects in Islamabad on June 09, 2016



Federal Minister for Water and Power, Khawaja Muhammad Asif President over 105th Board Meeting of Private Power and Infrastructure Board (PPIB) to Review the Progress of ongoing Power Projects in Islamabad on May 03, 2016



Federal Minister for Water and Power, Khawaja Muhammad Asif President over 104th Board Meeting of Private Power and Infrastructure Board to Review the Progress of Power Projects in Islamabad on March 14, 2016



Federal Minister for Water and Power, Khawaja Muhammad Asif President over 103rd Board Meeting of Private Power and Infrastructure Board to Review the Progress of Ongoing Power Projects & Future Projects in Islamabad on January 06, 2016



Federal Minister for Water and Power, Khawaja Muhammad Asif President over 102nd Board Meeting of Private Power and Infrastructure Board to Review the Progress of Ongoing Power Projects & Allied matters in Islamabad on September 17, 2015

Projects Processing during 2015-16



Issuance of Letter of Support to 640 MW Azad Pattan Hydropower Project
on 30th June, 2016



Achievement of Financial Close on 4th April, 2016 by Country's first indigenous/Thar coal based Project 2 x 330 MW Engro Powergen Project



Issuance of Letter of Support for development of 1124 MW Kohala Hydropower Project
on 31st December, 2015



Initialling of AJ&K IA on 23rd November, 2015
for the development of 720 MW Karot Hydropower Project



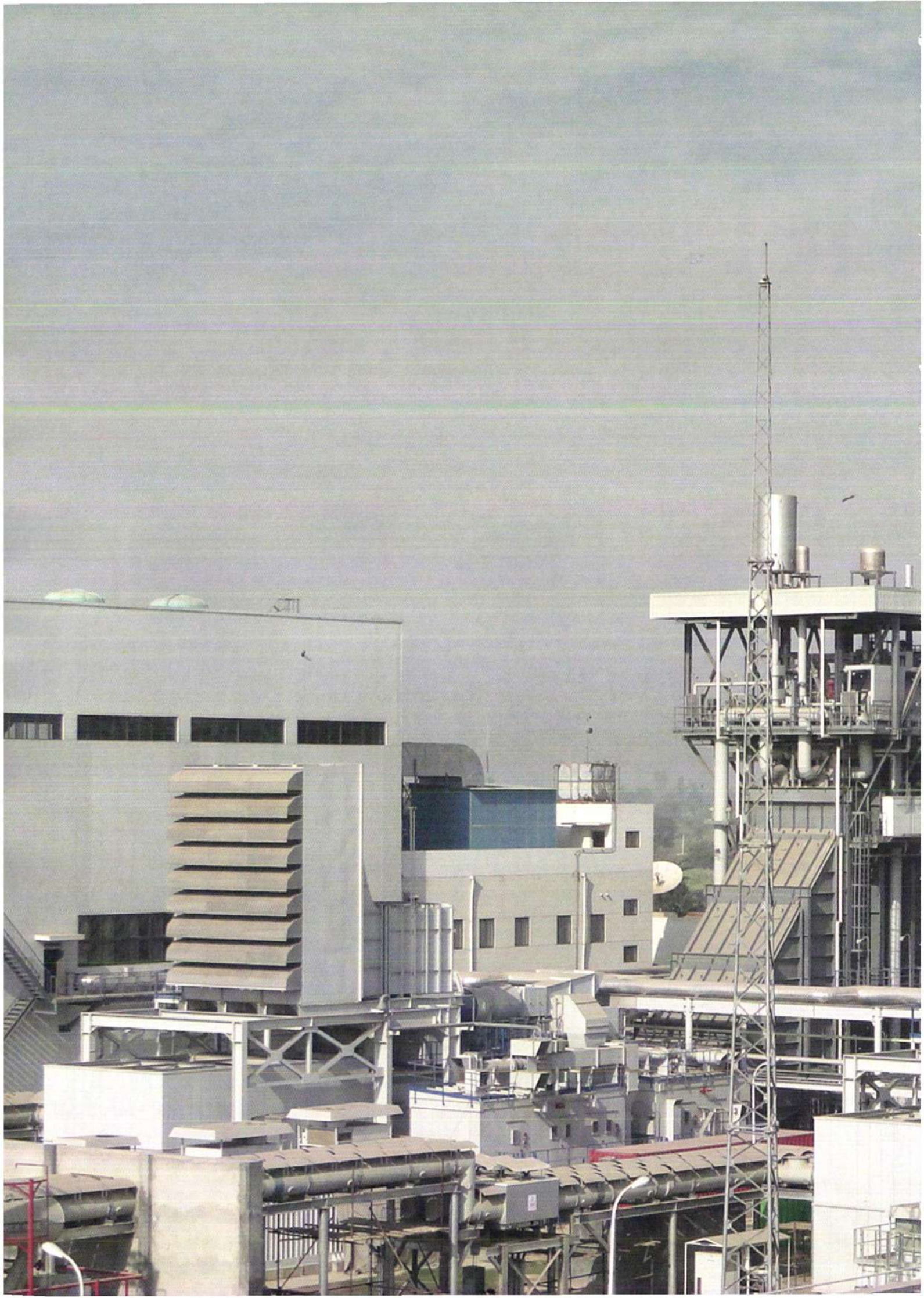
Signing of AJ&K IA, DA and WUA for development of 102 MW Gulpur Hydropower Project on 13th October, 2015



Singing of GoP IA and Guarantee Direct Agreement on 10th September, 2015 for development of 102 MW Gulpur Hydropower Project



Issuing Letter of Interest for development of Thar Coal based 1320 MW Shanghai Power Project at Thar Block-I, Sindh on 21st August, 2015



CAPACITY ADDITIONS MADE BY PPIB TO DATE



7. Capacity Additions made by PPIB To-Date

So far, PPIB has successfully managed capacity addition of 9048 MW through establishment of thirty one (31) IPPs having a cumulative investment of more than US\$ 10 billion. The world-renowned players of the international arena came to Pakistan and participated in establishing power complexes in the country.

Today, the power generation capacity available from private sector (led by PPIB-facilitated IPPs) stands around more than 47% of the total dependable capacity in the country. This capacity is a remarkable feat which makes PPIB stand out in the power sector of Pakistan, by being instrumental in attracting more than 10 billion US\$ investment in the country so far. This huge investment with its multiplier effect has tremendously benefitted the country's economy. Summary of the projects materialized due to PPIB's facilitation under various power policies is as follows while one pager brief of each project highlighting conclusion details of various activities till completion are also given.

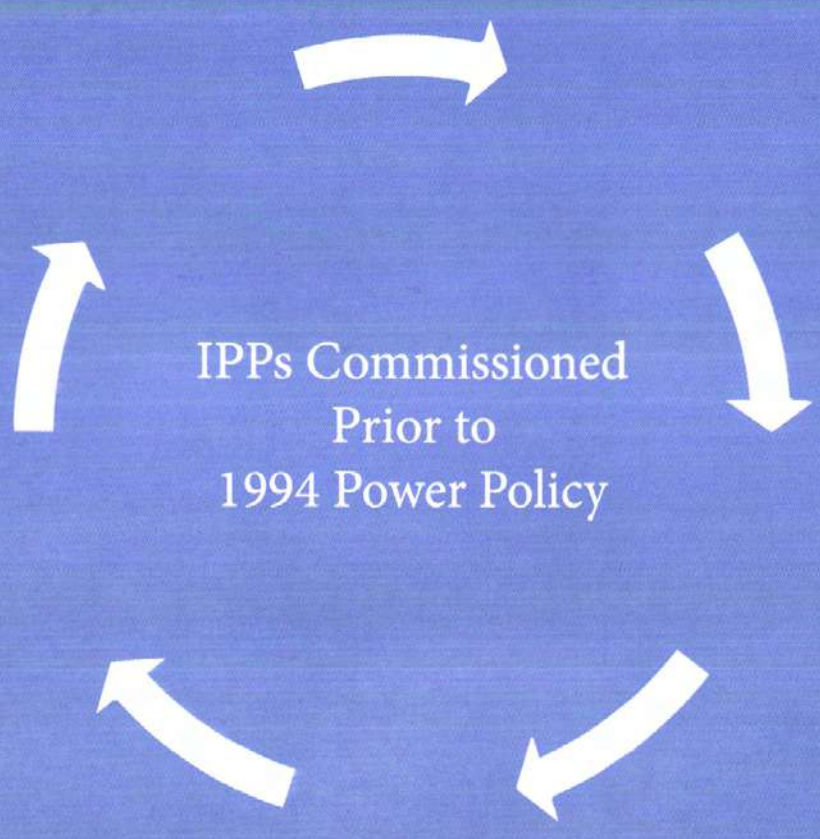
	Number of Projects	Capacity (MW) US\$)	Investment (Million)
Project prior to 1994 Power Policy	1	1,292	1,608
Projects under 1994 Power Policy	15	3,100	3,490
Project privatized from public sector	1	1,638	1,583
Project under 1995 Hydel Policy	1	84	215
Projects under 2002 Power Policy	13	2,934	3,248
Total	31	9,048	10,144

Commissioned IPPS

Sr. No.	Project	Location	Gross/ Installed Capacity (MW)
Prior to 1994 Power Policy			
1	Hub Power Project , (HUBCO)	Tehsil Hub, District Lasbela, Baloshistan	1292
Under 1994 Power Policy:			
2	Lalpir Power Project	Mehmood Kot, Muzaffargarh, Punjab	362
3	Pak Gen Power Project	Mehmood Kot, Muzaffargarh, Punjab	365
4	Altern Power Project	Fateh Jang, Attock	31
5	Fauji Kabirwala Power Project	Kabirwala, District Khanewal	157
6	Gul Ahmed Energy Project	Korangi Industrial Township, Karachi	136
7	Habibullah Coastal Power Project	Quetta	140
8	Japan Power Generation Project	17 km Jia Bagga, Off Raiwind Road, Lahore	120
9	Kohinoor Energy Project	Raiwind-Manga Road; Near Lahore	131
10	Liberty Power Project	Daharki, Distt. Ghotki, Sindh	235
11	Rousch (Pakistan) Power Project	Abdul Hakeem Barrage, District Khanewal	450

12	Saba Power Project	Farouqabad, Shiekhupura, Punjab	134
13	Southern Electric Power Project	Raiwind Lahore, Punjab	117
14	Tapal Energy Project	District West, Karachi	126
15	Uch Power Project	Dera Murad Jamali, District Nasirabad, Balochistan	586
16	Davis Energen Private Ltd	Jhang, Punjab	10
Total (Prior to 1994 Policy and Under 1994 Power Policy)			4392
Under 1995 Power Policy			
17	New Bong Escape Hydropower Project	7.5 km Downstream Mangla Dam, Azad Jammu & Kashmir	84
Under 2002 Power Policy			
18	Attock Gen Power Project	Rawalpindi, Punjab	165
19	Atlas Power Project	Sheikhupura, Punjab	225
20	Engro Power Project	Qadirpur, Sindh	227
21	Foundation Power Company (Daharki) Limited	Daharki, Sindh	185
22	Halmore Power Generation Company Limited	Bhikki, Punjab	225
23	HUBCO-Narowal Project	Narowal, Punjab	220
24	Liberty Power Tech Project	Near Faisalabad, Punjab	200
25	Nishat Power Project	Near Lahore, Punjab	200
26	Nishat Chunian Power Project	Near Lahore, Punjab	200
27	Orient Power Company Limited	Balloki, Punjab	229
28	Saif Power Limited	Sahiwal, Punjab	229
29	Sapphire Electric Company Limited	Muridke, Punjab	225
30	Uch-II Power Project	Dera Murad Jamali, Balochistan	404
Total (under 1995 & 2002 Power Policy)			3018
31	Kot Addu Power Company Limited (KAPCO) Initially KAPCO was a Public-Sector Power Project; however, through its strategic sale by the Privatization Commission, it was converted into IPP through privatization	Dera Murad Jamali, Balochistan	1638
Grand Total			9048

One page brief of each commissioned project is as follows:



IPPs Commissioned
Prior to
1994 Power Policy

HUB POWER PROJECT

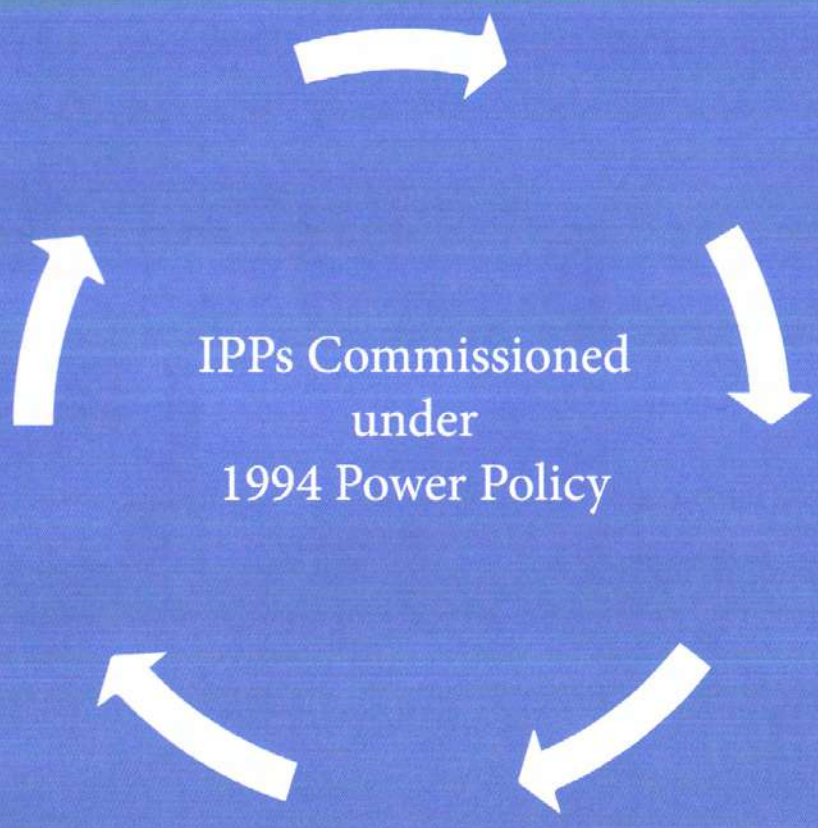
Salient Features

Company	Hub Power Company
Capacity	1292 MW (Gross)
Location	Tehsil Hub, District Lasbela, Balochistan
Fuel	Residual Furnace Oil (RFO)
Technology	Oil Fired, Steam Turbines
Plant Configuration	4x323 MW Steam Turbines
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	Hub Power Company Limited Islamic Chamber Building, Block-9, Clifton Karachi.

Important Milestones

Submission of Application	January, 1988
Issuance of Letter of Interest (LOI)	April 27, 1994
Issuance of Letter of Support (LOS)	None
Date of Financial Closing	January 26, 1995
Commissioning Date	March 31, 1997
Net / Dependable Capacity	1200 MW
Contractual Agreements	
Implementation Agreement (IA)	August 3, 1992
Power Purchase Agreement (PPA)	August 3, 1992
Gas Supply Agreement (GSA)	August 3, 1992
GOP Guarantee	January 3, 1995
Settlement Agreement	December 17, 2000
Settlement Amended Agreement	October 14, 2001





IPPs Commissioned
under
1994 Power Policy

LALPIR POWER PROJECT

Salient Features

Company	Lalpir Limited
Capacity	362 MW (Gross)
Location	Mehmood Kot, Muzaffargarh Punjab
Technology	Oil-Fired Steam Turbine
Plant Configuration	1x362 MW steam turbine
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	Lalpir Thermal Power Station Near Mohammed Kot Muzaffargarh PC 34200

Important Milestones

Issuance of Letter of Interest (LOI)	May 19, 1994
Issuance of Letter of Support (LOS)	June 22, 1994
Date of Financial Closing	May 16, 1995
Commissioning Date	November 6, 1997
Commissioning Date	November 6, 1997
Net / Dependable Capacity	350 MW

Contractual Agreements

Implementation Agreement	September 24, 1994
Power Purchase Agreement (PPA)	November 3, 1994
Fuel Supply Agreement (FSA)	November 6, 1994
GOP Guarantee	May 16, 1995



PAK GEN POWER PROJECT

Salient Features

Company	Pak Gen (Private) Company
Capacity	365 MW (Gross)
Location	Mehmood Kot, Muzaffargarh, Punjab
Fuel	Residual Furnace Oil (RFO)
Technology	Oil-Fired Steam Turbine
Plant Configuration	1x365 MW Steam Turbine
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	PakGen Thermal Power Station Near Mohammed Kot Muzaffargarh PC 34200

Important Milestones

Issuance of Letter of Interest (LOI)	June 22, 1994
Issuance of Letter of Support (LOS)	August 24, 1994
Date of Financial Closing	January 5, 1996
Commissioning Date	February 1, 1998
Net / Dependable Capacity	350 MW

Contractual Agreements

Implementation Agreement	September 24, 1994
Power Purchase Agreement (PPA)	September 5, 1995
Fuel Supply Agreement (FSA)	September 7, 1995
GOP Guarantee	January 5, 1996



FAUJI KABIRWALA POWER PROJECT

Salient Features

Company	Fauji Kabirwala Power Company Limited
Capacity	157 MW (Gross)
Location	Kabirwala, District Khanewal
Fuel	Low BTU Gas + Pipeline Quality Gas
Technology	Combined Cycle + Steam Turbines
Plant Configuration	2 Gas Turbines of 48.4 MW each and a Steam Turbine of capacity 59.4 MW
Power Purchaser	WAPDA
Fuel Supplier	OGDC
Term of the PPA	30 Years
Registered Address	Fauji Kabirwala Power Co. Ltd. 14 Harley Street, Rawalpindi Cantt
Important Milestones	
Submission of Application	April 28, 1994
Issuance of Letter of Interest (LOI)	May 19, 1994
Issuance of Letter of Support (LOS)	June 30, 1994
Date of Financial Closing	June 2, 1996
Commissioning Date	October 21, 1999
Net / Dependable Capacity	151 MW
Contractual Agreements	
Implementation Agreement	September 24, 1994
Amendment No. 1	January 28, 1996
Power Purchase Agreement (PPA)	January 12, 1995
Amendment No. 1	January 25, 1996
GOP Guarantee	July 23, 1996



ALTERN ENERGY LIMITED

Salient Features

Company	Altern Energy Limited
Capacity	31 MW (Gross)
Location	Fateh Jang, Attock
Fuel	Gas
Technology	Gas Fired Diesel Engine
Plant Configuration	4x3.5 MW Engines (4 units-Phase-I) 4x3.75MW Engines (4 Units-Phase-II)
Power Purchaser	WAPDA
Fuel Supplier	SNGPL
Term of the PPA	30 Years
Registered Address	Altern Energy Limited 1st Floor, DESCON House 18 km, Ferozpur Road, Lahore.

Important Milestones

Submission of Application	December 14, 1994
Issuance of Letter of Interest (LOI)	December 18, 1994
Issuance of Letter of Support (LOS)	May 4, 1995
Date of Financial Closing	July 2, 1996(Phase-I)
Commissioning Date	June 6, 2001 (Phase-I) September 20, 2008 (Phase-II)
Net / Dependable Capacity	29 MW

Contractual Agreements

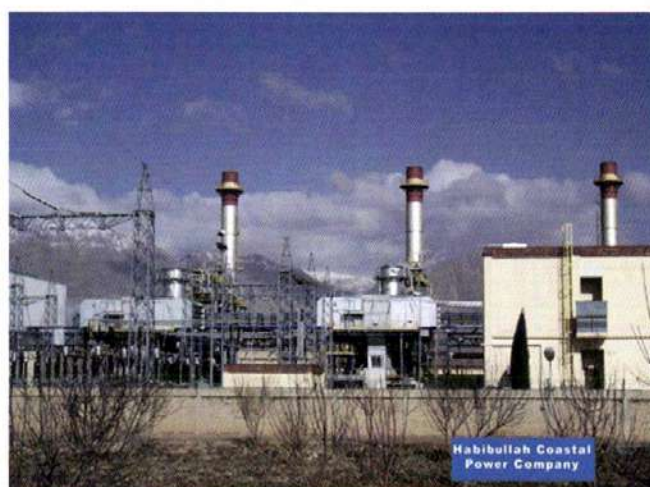
Implementation Agreement	July 19, 1995
Power Purchase Agreement (PPA)	September 18, 1995
Fuel Supply Agreement (FSA)	April 11, 1995
GOP Guarantee	October 8, 1996



HABIBULLAH COASTAL POWER PROJECT

Salient Features

Company	Habibullah Coastal Power (Pvt.) Company
Capacity	140 MW (Gross)
Location	Quetta
Fuel	Natural Gas
Technology	Combined Cycle
Plant Configuration	3 Gas Turbines + 1 Steam Turbines
Power Purchaser	WAPDA
Fuel Supplier	SSGC
Term of the PPA	30 Years
Registered Address	Habibullah Coastal Power (Private) Company C-18, Block 4, Clifton Karachi
Important Milestones	
Submission of Application	June 28, 1994
Issuance of Letter of Interest (LOI)	June 14, 1994
Issuance of Letter of Support (LOS)	July 31, 1994
Date of Financial Closing	April 04, 1996
Commissioning Date	September 11, 1999
Net / Dependable Capacity	126 MW
Contractual Agreements	
Implementation Agreement (IA)	March 20, 1996
Power Purchase Agreement (PPA)	March 25, 1996
Gas Supply Agreement (GSA)	February 28, 1996
Amendment in the GSA	March 31, 1996
GOP Guarantee	May 9, 1996



JAPAN POWER PROJECT

Salient Features

Company	Japan Power Generation
Capacity	120 MW (Gross)
Location	Off Raiwind Road, Near Jia Bagga
Fuel	Residual Furnace Oil (RFO)
Technology	Diesel Engines
Plant Configuration	24 Oil Fired Units
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	Japan Power Generation Limited Jia Bagga, Raiwind Road Lahore.

Important Milestones

Submission of Application	June 28, 1994
Issuance of Letter of Interest (LOI)	June 29, 1994
Issuance of Letter of Support (LOS)	July 27, 1994
Date of Financial Closing	January 24, 1996
Commissioning Date	March 14, 2000
Net / Dependable Capacity	120 MW

Contractual Agreements

Implementation Agreement (IA)	May 30, 1995
Power Purchase Agreement (PPA)	March 21, 1995
Fuel Supply Agreement (FSA)	February 2, 1995
GOP Guarantee	April 15, 1996



GUL AHMED POWER PROJECT

Salient Features

Company	Gul Ahmed Energy
Capacity	136 MW (Gross)
Location	Korangi Town, Karachi
Fuel	Furnace Oil
Technology	Diesel Engine
Plant Configuration	9 Oil Fired Engines
Power Purchaser	KESC (Now K-Electric)
Fuel Supplier	PSO
Term of the PPA	22 Years
Registered Address	Gul Ahmad Energy Limited 35-B, Block 6, PECHS, Karachi-75400
Important Milestones	
Submission of Application	July 7, 1994
Issuance of Letter of Interest (LOI)	July 14, 1994
Issuance of Letter of Support (LOS)	August 23, 1994
Date of Financial Closing	September 30, 1995
Commissioning Date	November 3, 1997
Net / Dependable Capacity	125 MW
Contractual Agreements	
Implementation Agreement (IA)	June 29, 1995
Power Purchase Agreement (PPA)	June 7, 1995
Fuel Supply Agreement (FSA)	July 19, 1995
Amendment in the FSA	November 3, 1996



LIBERTY POWER PROJECT

Salient Features

Company	Liberty Power Limited
Capacity	235 MW (Gross)
Location	Daharki, District Ghotki, Sindh
Fuel	Natural Gas
Technology	Combined Cycle
Plant Configuration	One Gas Turbine + One Steam Turbine + One Heat Recovery Steam Generator
Power Purchaser	WAPDA
Fuel Supplier	SNGPL
Term of the PPA	25 Years
Registered Address	Liberty Power Limited 90 Razia Sharif Plaza, 4th Floor, Blue Area Islamabad.

Important Milestones

Submission of Application	March 26, 1994
Issuance of Letter of Interest (LOI)	July 6, 1995
Issuance of Letter of Support (LOS)	July 17, 1995
Date of Financial Closing	July 21, 1996
Commissioning Date	September 10, 2001
Net / Dependable Capacity	211 MW

Contractual Agreements

Implementation Agreement (IA)	November 22, 1995
Power Purchase Agreement (PPA)	November 26, 1995
Fuel Supply Agreement (FSA)	September 1, 2000



KOHINOOR ENERGY POWER PROJECT

Salient Features

Company	Kohinoor Energy Limited
Capacity	131 MW (Gross)
Location	Raiwind-Manga Road, Near Lahore
Fuel	Residual Furnace Oil (RFO)
Technology	Diesel Engines
Plant Configuration	8 Diesel Generator Sets each of 15.68 MW and a Steam Turbine Generating Set of 6.0 MW at alternator terminal
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	22 Years
Registered Address	Kohinoor Energy Limited 17 Aziz Avenue, Unit No. 4, Canal Bank, Gulberg Lahore.
Important Milestones	
Submission of Application	April 30, 1994
Issuance of Letter of Interest (LOI)	May 19, 1994
Issuance of Letter of Support (LOS)	June 22, 1994
Date of Financial Closing	June 13, 1995
Commissioning Date	June 20, 1997
Net / Dependable Capacity	126 MW
Contractual Agreements	
Implementation Agreement (IA)	September 29, 1994
Power Purchase Agreement (PPA)	November 8, 1995
Fuel Supply Agreement (FSA)	January 22, 1995
GOP Guarantee	August 20, 1995



ROUSCH POWER PROJECT

Salient Features

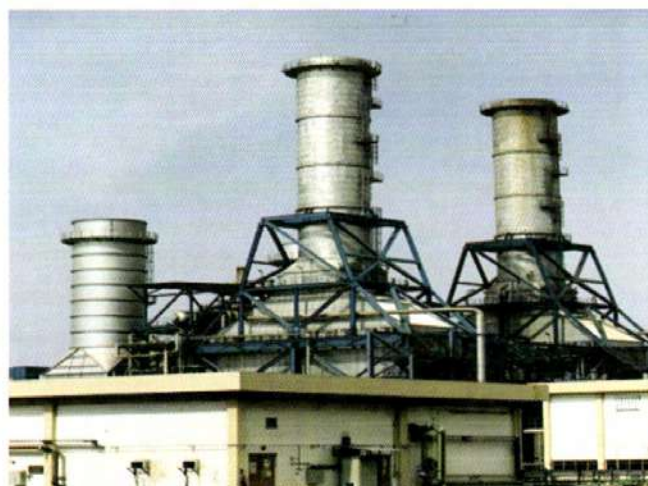
Company	Rousch (Pakistan) Power Limited
Capacity	450 MW (Gross)
Location	Abdul Hakeem (Near Sidhnai Barrage), District Khanewal (about 85 KM North-East of Multan)
Fuel	Residual Fuel Oil (RFO)
Technology	Combined Cycle
Plant Configuration	Two Gas Turbines + One Steam Turbine
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	Rousch (Pakistan) Power Ltd. 39-C/IV, Block-6, P.E.C.H.S., Karachi.

Important Milestones

Submission of Application	May 10, 1994
Issuance of Letter of Interest (LOI)	June 22, 1994
Issuance of Letter of Support (LOS)	August 8, 1994
Date of Financial Closing	April 7, 1996
Commissioning Date	December 11, 1999
Net / Dependable Capacity	395 MW

Contractual Agreements

Implementation Agreement (IA)	June 15, 1995
Amended and Restated	March 31, 1996
Power Purchase Agreement (PPA)	February 25, 1996
Amendment No. 1	May 25, 1996
Amendment No. 2	July 7, 1996
Fuel Supply Agreement (FSA)	July 23, 1995
GOP Guarantee	August 2, 1996



SABA POWER PROJECT

Salient Features

Company	Saba Power Company
Capacity	134 MW (Gross)
Location	Farouqabad, Shiekhupura, Punjab
Fuel	Residual Fuel Oil (RFO)
Technology	Steam Turbines
Plant Configuration	One Furnace Oil Fired Unit
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	El Paso Technology Pakistan (Pvt) Limited Saba Power Company Limited 3rd Floor, G. D. Arcade, 73-E, Fazal-ul-Haq Road Islamabad.

Important Milestones

Submission of Application	June 20, 1994
Issuance of Letter of Interest (LOI)	June 28, 1994
Issuance of Letter of Support (LOS)	September 18, 1994
Date of Financial Closing	April 3, 1996
Commissioning Date	December 31, 1999
Net / Dependable Capacity	125 MW

Contractual Agreements

Implementation Agreement (IA)	March 31, 1996
Power Purchase Agreement (PPA)	December 26, 1994
Amendment No. 1	August 8, 1996
Fuel Supply Agreement (FSA)	April 9, 1995
GOP Guarantee	August 26, 1996



SOUTHERN ELECTRIC POWER PROJECT

Salient Features

Company	Southern Electric Power Project
Capacity	117 MW (Gross)
Location	Raiwind, Lahore
Fuel	Residual Fuel Oil (RFO)
Technology	Diesel Engines
Plant Configuration	5 Units
Power Purchaser	WAPDA
Fuel Supplier	PSO
Term of the PPA	30 Years
Registered Address	Southern Electric Power Co. Ltd. 90-West, 6th Floor, Razia Sharif Plaza, Blue Area Islamabad.

Important Milestones

Submission of Application	June 12, 1994
Issuance of Letter of Interest (LOI)	June 28, 1994
Issuance of Letter of Support (LOS)	August 3, 1994
Date of Financial Closing	October 25, 1995
Commissioning Date	July 12, 1999
Net / Dependable Capacity	119 MW

Contractual Agreements

Implementation Agreement (IA)	November 23, 1994
Supplement No. 1	March 7, 1994
Power Purchase Agreement (PPA)	November 17, 1994
Amendment No. 1	October 25, 1995
Fuel Supply Agreement (FSA)	November 30, 1994
Amendment No. 1	October 24, 1995
GOP Guarantee	August 26, 1996
Cost Overruns	Yes



TAPAL ENERGY POWER PROJECT

Salient Features

Company	Tapal Energy (Pvt.) Limited
Capacity	126 MW (Gross)
Location	District West, Karachi
Fuel	Furnace Oil
Technology	Diesel Engines
Plant Configuration	12 Oil Fired Engines
Power Purchaser	KESC (Now K-Electric)
Fuel Supplier	PSO
Term of the PPA	22 Years
Registered Address	Tapal Energy Limited F-25, Block 5, Kehkashan, Clifton Karachi.
Important Milestones	
Submission of Application	June 16, 1994
Issuance of Letter of Interest (LOI)	June 28, 1994
Issuance of Letter of Support (LOS)	September 18, 1994
Date of Financial Closing	March 11, 1996
Commissioning Date	June 20, 1997
Net / Dependable Capacity	120 MW
Contractual Agreements	
Implementation Agreement (IA)	August 8, 1994
Power Purchase Agreement (PPA)	September 26, 1995
Fuel Supply Agreement (FSA)	March 7, 1996
GOP Guarantee	April 18, 1996



UCH POWER PROJECT

Salient Features

Company	Uch Power Limited
Capacity	586 MW (Gross)
Location	Dera Murad Jamali, District Nasirabad, Balochistan
Fuel	Low BTU Gas
Technology	Combined Cycle
Plant Configuration	3 Gas Turbines + 1 Steam Turbine
Power Purchaser	WAPDA
Fuel Supplier	OGDC
Term of the PPA	30 Years
Registered Address	Uch Power Limited House No. 48, Khayaban-e-Iqbal Main Margalla Road, F-7/2, Islamabad.

Important Milestones

Submission of Application	May 03, 1994
Issuance of Letter of Interest (LOI)	May 19, 1994
Issuance of Letter of Support (LOS)	June 22, 1994
Date of Financial Closing	May 24, 1996
Commissioning Date	October 18, 2000
Net / Dependable Capacity	551 MW

Contractual Agreements

Implementation Agreement (IA)	September 24, 1994
Amendment to IA	November 19, 1995
Power Purchase Agreement (PPA)	November 23, 1995
Gas Supply Agreement (GSA)	August 4, 1994
Amendment in the GSA	May 15, 1996
Withdrawal Agreement	November 3, 2000
Memorandum of Understanding	April 18, 2000
GOP Guarantee	April 18, 1996

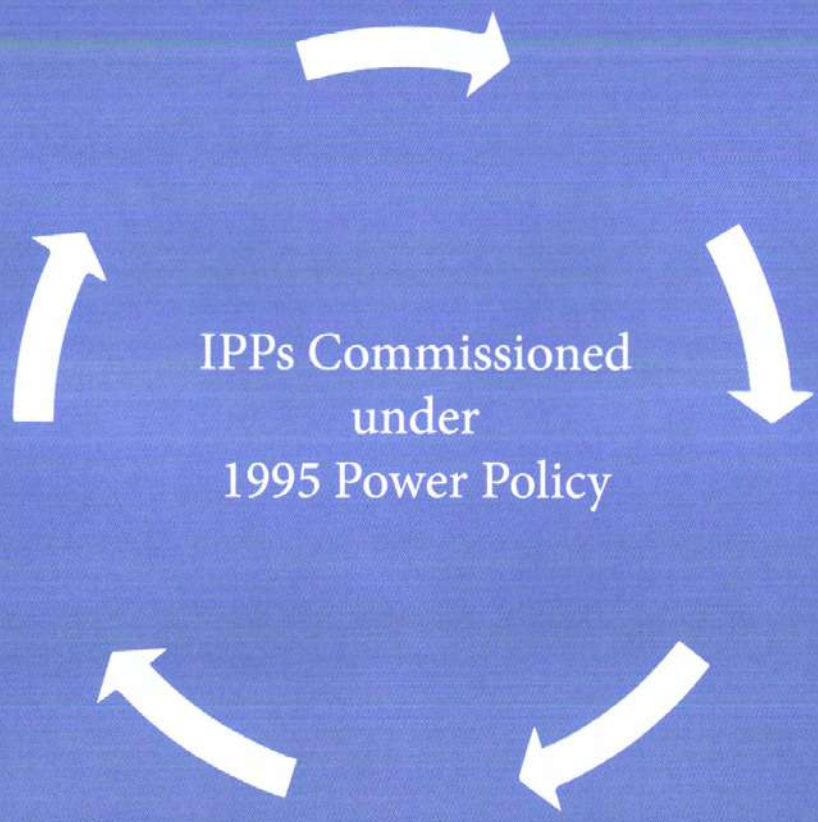


DAVIS ENERGEN POWER PROJECT

Salient Features

Company	Davis Energen Power Limited
Capacity	10.5 MW (Gross)
Location	Toba Tek Singh District Jhang
Fuel	Gas
Technology	Combined Cycle
Plant Configuration	Three(3) GE Jenbacher gas engines
Power Purchaser	NTDC/WAPDA
Fuel Supplier	SNGPL
Term of the PPA	30 Years
Registered Address	6-A, Block-H Ancillary Building Gulberg Heights, Gulberg-II Lahore
Important Milestones	
Submission of Application	10 May 1994
Issuance of Letter of Interest (LOI)	19 May 1994
Issuance of Letter of Support (LOS)	17 July 1994
Date of Financial Closing	08 Sep 2010
Commissioning Date	13 Jul 2013
Net / Dependable Capacity	10.5 MW
Contractual Agreements	
Implementation Agreement (IA)	06 Jun 1995
Amendment to IA	09 April 2010
Power Purchase Agreement (PPA)	18 Jan 1995
Gas Supply Agreement (GSA)	19 Oct 2006
Amendment in the GSA	Oct 2008





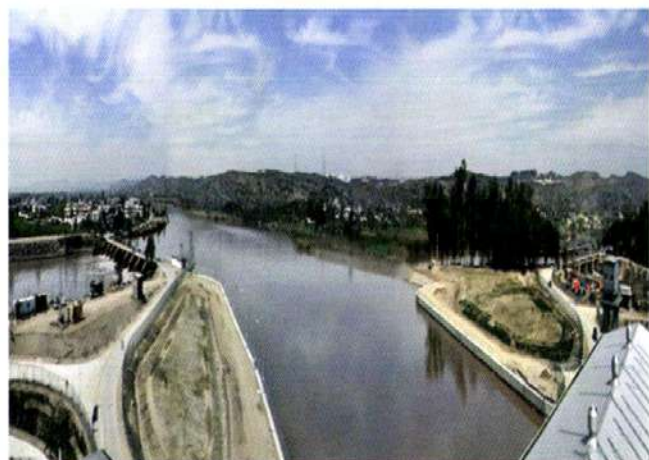
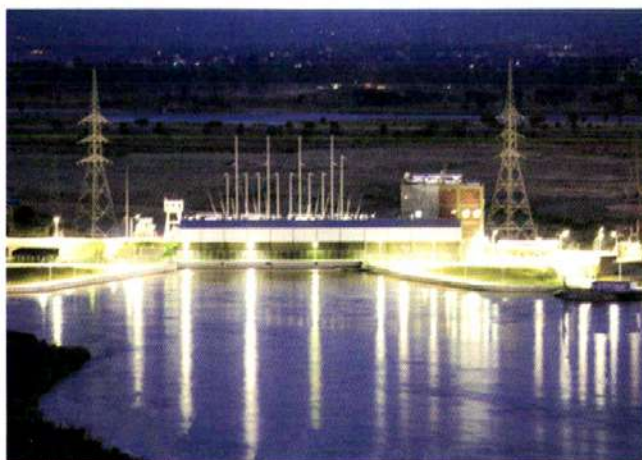
IPPs Commissioned
under
1995 Power Policy

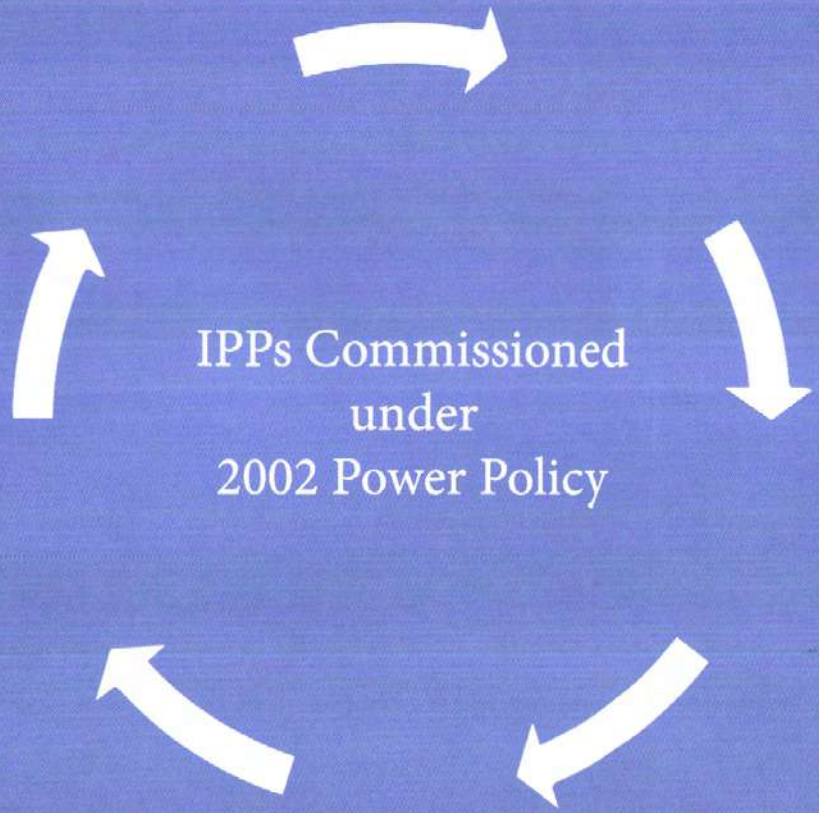
NEW BONG ESCAPE HYDROPOWER PROJECT

The 1st Hydropower IPP of Pakistan/AJK

Salient Features

Company	Laraib Energy Limited
Capacity	84 MW (Gross)
Location	7Km Downstream Mangla Dam, AJK
River	Jhelum
Project Type	Run of River
Energy	470 Gwh
Term of the PPA	25 Years
Registered Address	12-B/1, G-8 Markaz, Islamabad
Important Milestones	
Issuance of Letter of Support (LOS) by GOAJK	18th May 1996, valid until 2nd Dec. 2009
Signing of Amended & Restated GOPIA	31st August 2007
Signing of EPC contract	19th June 2009
Signing of Amended & Restated PPA	22nd October 2009
Signing of Amended & Restated AJKIA	27th October 2009
Signing of AJKIA-DA, WUA-DA, GOPIA-DA	10th November 2009
Signing of PPA-DA	20th November 2009
Signing of Amended & Restated WUA	27th October 2009
Signing of Finance Documents	05th November 2009
Financial Close	December 2009
COD	23rd March 2013





IPPs Commissioned
under
2002 Power Policy

ATTOCK GEN LIMITED

Salient Features

Company	Attock Gen Limited
Capacity	165 MW (Gross)
Location	Morgah, Rawalpindi
Fuel	LSFO
Technology	Diesel Engines
Plant Configuration	09 Wartsila W18V 46 GENSETS + 01 STG
Power Purchaser	NTDC
Fuel Supplier	Attock Petroleum Ltd (APL)
Term of the PPA	25 Years
Registered Address	Refinery P.O. Morgah, Rawalpindi
Important Milestones	
Submission of Application	08-06-2004
Issuance of Letter of Interest (LOI)	21-12-2004
Issuance of Letter of Support (LOS)	27-02-2007
Date of Financial Closing	25-09-2007
Commissioning Date	17-03-2009
Net / Dependable Capacity	156 MW
Contractual Agreements	
Implementation Agreement	24-08-2007
Power Purchase Agreement (PPA)	01-09-2007
Fuel Supply Agreement (FSA)	05-06-2007
GOP Guarantee	25-09-2007



ATLAS POWER LIMITED

Salient Features

Company	Atlas Power Limited
Capacity	225 MW (Gross)
Location	Sheikhupura, Punjab
Fuel	RFO
Technology	Combined Cycle
Plant Configuration	11 x 18.9 MW D.G.+1 x 16.45MW S.T.
Power Purchaser	NTDC
Fuel Supplier	PSO
Term of the PPA	25 Years
Registered Address	26/27 Km Lahore- Sheikhupura Road, Sheikhupura
Important Milestones	
Submission of Application	24-09-2005
Issuance of Letter of Interest (LOI)	Not Applicable
Issuance of Letter of Support (LOS)	07-04-2007
Date of Financial Closing	14-11-2007
Commissioning Date	18-12-2009
Net / Dependable Capacity	214 MW
Contractual Agreements	
Implementation Agreement	18-09-2007
Power Purchase Agreement (PPA)	06-09-2007
Fuel Supply Agreement (FSA)	07-10-2007
GOP Guarantee	14-11-2007



ENGRO ENERGY LIMITED

Salient Features

Company	Engro Energy Limited
Capacity	227 MW (Gross)
Location	Qadirpur, District Ghotki, Sindh
Fuel	75 MMCFD (675-725 BTU) permeate gas from Qadirpur Field with HSD as backup fuel
Technology	Combined Cycle
Plant Configuration	1GT x 1HRSG x 1ST with Supplementary firing
Power Purchaser	NTDC
Fuel Supplier	SNGPL
Term of the PPA	25 Years
Registered Address	7th Floor, the Harbor Front Building, HC# 3, Marine Drive, Block 4, Clifton, Karachi
Important Milestones	
Submission of Application	21-10-2005
Issuance of Letter of Interest (LOI)	06-01-2006
Issuance of Letter of Support (LOS)	10-08-2007
Date of Financial Closing	30-04-2008
Commissioning Date	27-03-2010
Net / Dependable Capacity	217.298 MW
Contractual Agreements	
Implementation Agreement	29-10-2007
Power Purchase Agreement (PPA)	26-10-2007
Fuel Supply Agreement (FSA)	22-04-2008
GOP Guarantee	30-04-2008



FOUNDATION POWER COMPANY (DAHARKI) LIMITED

Salient Features

Company	Foundation Power Company (Daharki) Limited
Capacity	185 MW (Gross at ISO)
Location	Daharki District Ghotki- Sindh
Fuel	65 MMCFD (530-590 BTU) gas from Mari Deep Gas Field and HSD (for Startup and Shutdown)
Technology	Combined Cycle
Plant Configuration	1 GT + 1 HRSG + 1 ST
Power Purchaser	NTDC
Fuel Supplier	MGCL
Term of the PPA	25 Years
Registered Address	Fauji Towers, 68 Tipu Road, Chaklala, Rawalpindi
Important Milestones	
Submission of Proposal	13-05-2004
Issuance of Letter of Interest (LOI)	13-08-2004
Issuance of Letter of Support (LOS)	20-02-2007
Date of Financial Closing	09-09-2007
Commissioning Date	16-05-2011
Net / Dependable Capacity	177 MW
Contractual Agreements	
Implementation Agreement (IA)	30-08-2007
Power Purchase Agreement (PPA)	29-08-2007
Fuel Supply Agreement (FSA)	17-09-2007



HALMORE POWER GENERATION COMPANY LIMITED

Salient Features

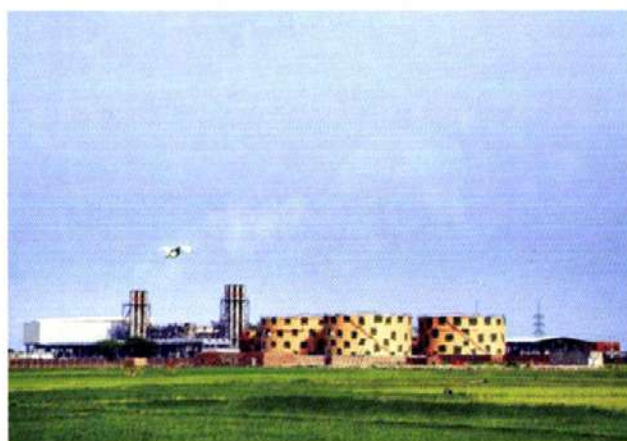
Company	Halmore Power Generation Company Limited
Capacity	225 MW (Gross)
Location	Bhikki District Sheikhpura- Punjab
Fuel	Pipeline quality gas
Technology	Combined Cycle
Plant Configuration	2 GT(GE Frame 6F) + 2 HRSG + 1 ST
Power Purchaser	NTDC
Fuel Supplier	SNGPL
Term of the PPA	30 Years
Registered Address	Halmore House, 234-B, Street 13, Sector E-7, Islamabad
Important Milestones	
Submission of Proposal	23-07-2005
Issuance of Letter of Interest (LOI)	05-10-2005
Issuance of Letter of Support (LOS)	16-10-2006
Date of Financial Closing	30-04-2008
Commissioning Date	16-06-2011
Net / Dependable Capacity	209 MW
Contractual Agreements	
Implementation Agreement (IA)	23-10-2007
Power Purchase Agreement (PPA)	28-04-2007
Fuel Supply Agreement (FSA)	01-02-2007



HUBCO - NAROWAL POWER PROJECT

Salient Features

Company	Hub Power Company Limited
Capacity	220 MW (Gross)
Location	Narowal - Punjab
Fuel	RFO
Technology	Diesel Engines
Plant Configuration	11 DG + 1 ST
Power Purchaser	NTDC
Fuel Supplier	Bakri Trading
Term of the PPA	25 Years
Registered Address	Hub Power Company Limited Islamic Chamber Building Block-9, Clifton Karachi
Important Milestones	
Submission of Proposal	12-12-2006
Issuance of Letter of Interest (LOI)	Not Applicable
Issuance of Letter of Support (LOS)	10-06-2008
Date of Financial Closing	9-03-2009
Commissioning Date	22-04-2011
Net / Dependable Capacity	214 MW
Contractual Agreements	
Implementation Agreement (IA)	27-10-2008
Power Purchase Agreement (PPA)	20-11-2008
Fuel Supply Agreement (FSA)	02-03-2009



LIBERTY POWER TECH

Salient Features

Company	Liberty Power Tech Ltd.
Capacity	200 MW (Gross)
Location	Faisalabad (near M-3 Industrial Estate)
Fuel	RFO
Technology	Combined Cycle / 4 stroke diesel engines
Plant Configuration	11 DG (Wartsila W18V46) + 11 WHEGB* +1 ST
Power Purchaser	NTDC
Fuel Supplier	Shell Pakistan Ltd.
Term of the PPA	25 Years
Registered Address	A/51-A, S.I.T.E., Karachi-75700
Important Milestones	
Submission of Proposal	04-04-2007
Issuance of Letter of Interest (LOI)	Not Applicable
Issuance of Letter of Support (LOS)	15-04-2008
Date of Financial Closing	12-03-2009
Commissioning Date	13-01-2011
Net / Dependable Capacity	195 MW
Contractual Agreements	
Implementation Agreement (IA)	16-06-2008
Power Purchase Agreement (PPA)	01-07-2008
Fuel Supply Agreement (FSA)	18-12-2008



NISHAT POWER LIMITED

Salient Features

Company	Nishat Power Limited
Capacity	200 MW (Gross)
Location	Near Lahore
Fuel	RFO
Technology	Reciprocating Engines
Plant Configuration	11 Engines + 1 ST
Power Purchaser	NTDC
Fuel Supplier	Shell
Term of the PPA	25 Years
Registered Address	Near Lahore
Important Milestones	
Submission of Application	24-10-2005
Issuance of Letter of Interest (LOI)	Not Applicable
Issuance of Letter of Support (LOS)	06-07-2007
Date of Financial Closing	03-01-2008
Commissioning Date	09-06-2010
Net / Dependable Capacity	195 MW
Contractual Agreements	
Implementation Agreement (IA)	15-09-2007
Power Purchase Agreement (PPA)	13-11-2007
Fuel Supply Agreement (FSA)	10-01-2008



NISHAT CHUNIAN LIMITED

Salient Features

Company	Nishat Power Limited
Capacity	200 MW (Gross)
Location	Near Lahore
Fuel	RFO
Technology	Reciprocating Engines
Plant Configuration	11 Engines + 1 ST
Power Purchaser	NTDC
Fuel Supplier	Shell
Term of the PPA	25 Years
Registered Address	31-Q, Gulberg II, Lahore
Important Milestones	
Submission of Application	24-10-2005
Issuance of Letter of Interest (LOI)	Not Applicable
Issuance of Letter of Support (LOS)	06-07-2007
Date of Financial Closing	03-01-2008
Commissioning Date	21-07-2010
Net / Dependable Capacity	195.60 MW
Contractual Agreements	
Implementation Agreement (IA)	15-09-2007
Power Purchase Agreement (PPA)	13-11-2007
Fuel Supply Agreement (FSA)	24-12-2007



ORIENT POWER COMPANY LIMITED

Salient Features

Company	Orient Power Company Ltd.
Capacity	229 MW (Gross)
Location	Balloki, District Kasur, Punjab
Fuel	Pipeline Quality gas (38 MMCFD upto 2011 allocated)
Technology	Combined Cycle
Plant Configuration	2 GT (GE 6FA)+2 HRSG+1 ST
Power Purchaser	NTDC
Fuel Supplier	SNGPL
Term of the PPA	30 Years
Registered Address	10-Ali Block, New Garden Town Lahore
Important Milestones	
Submission of Proposal	06-06-2003
Issuance of Letter of Interest (LOI)	12-02-2004
Issuance of Letter of Support (LOS)	01-11-2005
Date of Financial Closing	16-12-2006
Commissioning Date	24-05-2010
Net / Dependable Capacity	213 MW
Contractual Agreements	
Implementation Agreement (IA)	10-11-2006
Power Purchase Agreement (PPA)	08-11-2006
Gas Supply Agreement (GSA)	18-10-2006



SAIF POWER LIMITED

Salient Features

Company	Saif Power Limited
Capacity	229 MW (Gross)
Location	Sahiwal, Punjab
Fuel	Pipeline Quality gas (38 MMCFD upto 2011 allocated)
Technology	Combined Cycle
Plant Configuration	2GT x 2HRSG x 1ST
Power Purchaser	NTDC
Fuel Supplier	SNGPL
Term of the PPA	30 Years
Registered Address	3rd Floor, Kulsoom Plaza, 2020-Blue Area, Islamabad
Important Milestones	
Submission of Application	10-12-2004
Issuance of Letter of Interest (LOI)	08-07-2005
Issuance of Letter of Support (LOS)	18-10-2006
Date of Financial Closing	11-09-2007
Commissioning Date	27-04-2010
Net / Dependable Capacity	209 MW
Contractual Agreements	
Implementation Agreement	13-07-2007
Power Purchase Agreement (PPA)	30-04-2007
Gas Supply Agreement (GSA)	15-01-2007



SAPPHIRE ELECTRIC COMPANY LIMITED

Salient Features

Company	Sapphire Electric Company Ltd
Capacity	225 MW (Gross)
Location	Muridke, District Sheikhupura, Punjab
Fuel	Pipeline Quality gas (38 MMCFD upto 2011 allocated)
Technology	Combine Cycle
Plant Configuration	2 GT (GE 6111FA)+2 HRSG+1 ST
Power Purchaser	NTDC
Fuel Supplier	SNGPL
Term of the PPA	30 Years
Registered Address	7-A/K, Mian Boulevard, Gulberg II, Lahore
Important Milestones	
Submission of Proposal	10-11-2004
Issuance of Letter of Interest (LOI)	12-02-2005
Issuance of Letter of Support (LOS)	23-09-2006
Date of Financial Closing	20-06-2007
Commissioning Date	04-10-2010
Net Capacity	209 MW
Contractual Agreements	
Implementation Agreement (IA)	07-03-2007
Power Purchase Agreement (PPA)	19-02-2007
Gas Supply Agreement (GSA)	24-01-2007

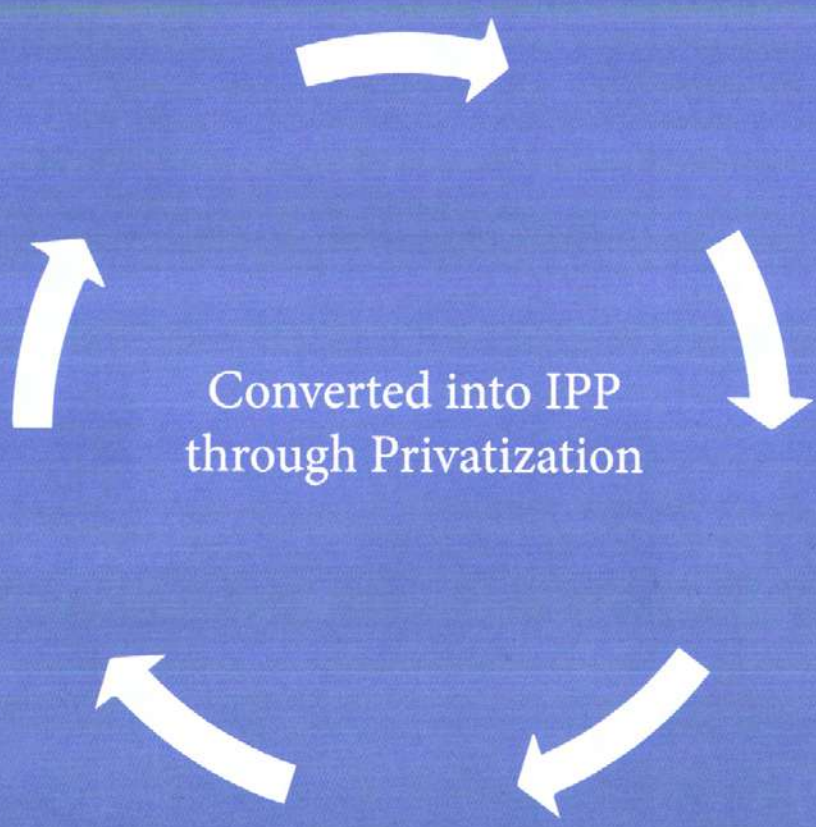


UCH-II POWER PROJECT

Salient Features

Company	Uch-II Power (Pvt) Ltd
Capacity	404 MW (Gross)
Location	Dera Murad Jamali Balochistan
Fuel	Low Btu Gas
Technology	Combined Cycle
Plant Configuration	2 Gas Turbine + 1 Steam Turbine
Power Purchaser	NTDCL
Fuel Supplier	OGDCL
Term of the PPA	25 Years
Registered Address	HNo 48 Khayaban-e-Iqbal Main Margala Road F-7/2 Islamabad
Important Milestones	
Submission of Proposal	30th April 2008
Issuance of Letter of Support (LOS)	3rd March 2010
Date of Financial Closing	7th May 2011
Commissioning Date	4th April 2014
Net / Dependable Capacity	375.2 MW
Contractual Agreements	
Implementation Agreement (IA)	14th January 2011
Power Purchase Agreement (PPA)	19th January 2011
Gas Supply Agreement (GSA)	20th January 2011





Converted into IPP
through Privatization

KOT ADDU POWER COMPANY LIMITED

Salient Features

Company	Kot Addu Power Company Limited (KAPCO)
Capacity	1638 MW (Gross)
Location	Kot Addu District Muzaffargarh, Punjab
Fuel	HSFO, Gas and HSD
Technology	Combined Cycle
Plant Configuration	10 multi fuel fired gas turbines and 5 steam turbines
Power Purchaser	NTDC
Fuel Supplier	PSO and SNGPL
Term of the PPA	25 Years
Registered Address	Kot Addu Power Complex, Kot Addu, District Muzaffargarh, Punjab
Important Milestones	
Commissioning Date	December 1996
Date of Privatization	27-06-1996
Facilitation Agreement with GOP	27-06-1996
Net Capacity	1386 MW

Note

Initially KAPCO was a Public-Sector Power Project; however, through its strategic sale by the Privatization Commission, it was converted into IPP through privatization.





**AUDITED STATEMENT OF INCOME AND
EXPENDITURE, BALANCE SHEET OF
PPIB FOR THE YEAR 2015-16**



8.1 Audited Statement of Income and Expenditure, Balance Sheet of PPIB for the Year 2015-16

Since its inception PPIB follows a standard practice to have annual accounts audited by renowned accountant firms. The accountancy firm category "A" is selected from the panel of State Bank of Pakistan and thereafter appointed on approval of the Board of PPIB. The accountancy firm is changed after every three years.

The accounts for the period 2015-16 have been audited by Riaz Ahmed and Company, Chartered Accountant are placed at **Appendix**. The auditors have issued an un-qualified report.

PRIVATE POWER AND INFRASTRUCTURE BOARD (PPIB)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF PRIVATE
POWER AND INFRASTRUCTURE BOARD**

We have audited the accompanying financial statements of Private Power and Infrastructure Board (PPIB), which comprise the statement of financial position as at 30 June 2016, and the income and expenditure account, the statement of comprehensive income, statement of changes in fund and reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PPIB as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other Matter

The financial statements of PPIB for the year ended 30 June 2015, were audited by another auditor who expressed an unmodified opinion on those statements on 18 July 2016.


RIAZ AHMAD AND COMPANY
Chartered Accountants

Name of engagement partner:
Raheel Arshad

Date: 12 JUL 2017

Islamabad

PRIVATE POWER AND INFRASTRUCTURE BOARD

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	NOTE	2016 (Rupees in thousand)	2015
NON-CURRENT ASSETS			
Property and equipment	4	60,932	44,545
Intangible assets	5	880	779
Long term investments	6	187,511	295,642
Loans and advances	7	29,322	46,578
Deferred income tax asset	8	187,284	143,436
		<u>465,929</u>	<u>530,980</u>
CURRENT ASSETS			
Advances, prepayments and other receivables	9	20,996	55,047
Advance tax	10	34,568	27,781
Short term investments	11	1,427,414	1,406,347
Cash and bank balances	12	216,689	92,082
		<u>1,699,667</u>	<u>1,581,257</u>
CURRENT LIABILITIES			
Provision against performance guarantees encashed	13	611,106	453,807
Staff gratuity	14	22,267	26,276
Accrued and other liabilities	15	69,560	45,002
		<u>702,933</u>	<u>525,085</u>
NET ASSETS		<u><u>1,462,663</u></u>	<u><u>1,587,152</u></u>
REPRESENTED BY:			
PPIB Fund	16	1,405,917	1,532,803
Investments revaluation reserve		56,746	54,349
		<u><u>1,462,663</u></u>	<u><u>1,587,152</u></u>
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes form an integral part of these financial statements. *Raw*


MANAGING DIRECTOR


BOARD MEMBER

PRIVATE POWER AND INFRASTRUCTURE BOARD

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 (Rupees in thousand)	2015
INCOME			
Performance guarantees encashed	18	135,620	-
Income from operations	19	88,645	50,007
Income from financial assets	20	95,171	148,188
Other income		781	904
		<u>320,217</u>	<u>199,099</u>
EXPENDITURE			
Salaries and benefits	21	290,820	293,530
Repair and maintenance	22	4,973	5,597
Printing and stationery	23	2,043	2,752
Professional and legal services fee		5,041	8,348
Board meeting expenses		1,282	1,382
Traveling expenses		4,820	5,696
Office / ground rent		16,735	14,006
Telephone, fax, postage and courier		1,504	1,462
Fixed assets insurance		857	720
Utilities		1,982	1,971
Audit fee		363	363
Depreciation	4	5,400	4,377
Amortization	5	113	94
Provision against performance guarantees encashed	13.1	135,620	49,025
Bank charges		553	1,019
Advertisement expenses		7,599	5,370
Other expenses	24	5,202	5,904
		<u>484,907</u>	<u>401,616</u>
LOSS FOR THE YEAR		<u>(164,690)</u>	<u>(202,517)</u>
Taxation	25	41,132	53,593
LOSS AFTER TAX		<u><u>(123,558)</u></u>	<u><u>(148,924)</u></u>

The annexed notes form an integral part of these financial statements. *Rao*




MANAGING DIRECTOR



BOARD MEMBER

PRIVATE POWER AND INFRASTRUCTURE BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	(Rupees in thousand)	
LOSS AFTER TAX	(123,558)	(148,924)
OTHER COMPREHENSIVE INCOME		
Items that will be subsequently reclassified to profit or loss		
Surplus on remeasurement of investments to fair value	2,101	7,370
Deferred income tax	296	14,933
	2,397	22,303
Items that will not be subsequently reclassified to profit or loss		
Remeasurement of defined benefit plan	(4,755)	972
Deferred income tax	1,427	(2,613)
	(3,328)	(1,641)
Other comprehensive (loss) / income - net of tax	(931)	20,662
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(124,489)</u>	<u>(128,262)</u>

The annexed notes form an integral part of these financial statements. 



MANAGING DIRECTOR



BOARD MEMBER

PRIVATE POWER AND INFRASTRUCTURE BOARD
STATEMENT OF CHANGES IN FUND AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2016

	PPIB fund	Investments revaluation reserve	Total
----- (Rupees in thousand) -----			
Balance as at 30 June 2014	1,683,368	32,046	1,715,414
Total comprehensive income for the year			
Loss for the year	(148,924)	-	(148,924)
Other comprehensive (loss) / income for the year	(1,641)	22,303	20,662
	(150,565)	22,303	(128,262)
Balance as at 30 June 2015	1,532,803	54,349	1,587,152
Total comprehensive income for the year			
Loss for the year	(123,558)	-	(123,558)
Other comprehensive (loss) / income for the year	(3,328)	2,397	(931)
	(126,886)	2,397	(124,489)
Balance as at 30 June 2016	1,405,917	56,746	1,462,663

The annexed notes form an integral part of these financial statements.



 MANAGING DIRECTOR



 BOARD MEMBER

PRIVATE POWER AND INFRASTRUCTURE BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

2016 **2015**
(Rupees in thousand)

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before tax	(164,690)	(202,517)
Adjustments for non cash items:		
Depreciation	5,400	4,377
Amortization	113	94
Income on bank deposits, held to maturity investments and interest on loans to employees	(67,422)	(113,440)
Provision for staff gratuity	17,512	27,248
Provision for leave encashment	10,627	10,098
Provision against performance guarantee encashed	135,620	49,025
(Gain) / loss on sale of property and equipment	(639)	14
Unrealised foreign exchange (gain) / loss	18,476	(4,478)
	<u>(45,003)</u>	<u>(229,579)</u>

Effect of working capital changes:

Decrease / (Increase) in advances, prepayments and other receivables	33,915	(31,273)
Increase in accrued and other liabilities	23,376	11,374
	<u>57,291</u>	<u>(19,899)</u>

Gratuity paid	(26,276)	(79,623)
Leave encashment paid	(9,445)	(9,145)
Taxes paid	(7,780)	(6,849)
Decrease / (Increase) in loans and advances	17,256	(8,624)
	<u>(26,245)</u>	<u>(104,241)</u>

Net cash used in operating activities

(13,957) (353,719)

CASH FLOWS FROM INVESTING ACTIVITIES

Property and equipment	(22,148)	(4,663)
Intangible assets	(214)	(192)
Insurance claim received on property and equipment	1,000	-
Income on bank deposits and held to maturity investments	82,575	118,906
Encashment of investments - net	75,373	215,657
Net cash generated from investing activities	<u>136,586</u>	<u>329,708</u>

CASH FLOWS FROM FINANCING ACTIVITIES

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

122,629 (24,011)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

92,082 115,050

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

1,978 1,043

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

216,689 92,082

The annexed notes form an integral part of these financial statements.


MANAGING DIRECTOR


BOARD MEMBER

PRIVATE POWER AND INFRASTRUCTURE BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATUS AND OPERATIONS

1.1 Private Power and Infrastructure Board (PPIB) was constituted in August 1994 under a Federal Government Notification to act as one window organization on behalf of all the agencies and Ministries of the Government of Pakistan (GOP) to process and facilitate private sector power projects, monitor their performance and perform all other related functions. The registered office of the Board is situated at Mauve Area, Sector G-8/1, Islamabad.

1.2 Private Power and Infrastructure Board (PPIB) Act No.VI of 2012 (the Act), was enacted on 02 March 2012 for establishment of PPIB as a body corporate having perpetual succession & common seal, independent in performance of its functions and competent to sue and be sued in its own name and acquire and hold property. As per the Act, PPIB is responsible for implementing the power policies of the Government of Pakistan, the development and implementation of power projects and related infrastructure in the private sector and on public-private partnership basis, enter into agreements & contracts, to provide for matters connected therewith or incidental thereto, etc.

Upon commencement of the Act, the Private Power and Infrastructure Board established vide Federal Government's Notification (hereinafter referred to as the former Board) stood dissolved and consequent to such dissolution:-

- (a) all assets, rights, powers, authorities and privileges and all property, cash and bank balances, reserve funds, investment and all other interests and rights in or arising out of such property and all debts, liabilities and obligations of whatever kind of the former board subsisting immediately before its dissolution stood transferred to and vested in PPIB constituted under the Act;
- (b) all debts and obligations incurred or contracts entered into, rights acquired and all matters and things engaged to be done by, with or for the former Board are deemed to have been incurred, entered into, acquired or engaged to be done by, with or for PPIB;
- (c) all suits and other legal proceedings instituted by or against the former Board, before its dissolution, are deemed to be suits and proceedings by or against PPIB and will be proceeded or otherwise dealt with accordingly; and
- (d) any reference to the former Board in any statutory instrument or document shall, unless the context otherwise requires, be read and construed as reference to be PPIB.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as applicable in Pakistan.

2.2 Accounting convention

These financial statements have been prepared on the historical cost basis except financial instruments which are carried at their fair values or amortized cost and staff retirement gratuity and pension plans which are carried at present value of defined benefit obligation net of fair value of plan assets. Assets transferred from Private Power Cell (PPC) are carried at their assigned values as explained in note 3.1 to the financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Board's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Board's financial statements or where judgments were exercised in application of accounting policies are as follows:



Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Board. Further, the Board reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

Employee benefits

The Board operates funded scheme of gratuity for all employees of the Board, payable on cessation of employment. The provision is made on the basis of actuarial valuation to cover the obligation under the scheme for all employees eligible to scheme's benefits.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market-related value at the beginning of the year. Employee benefits scheme cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

Taxation

In making the estimates for income tax currently payable by the Board, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4 Standard that is effective in current year and is relevant to the Board

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

2.5 Amendments to published standards that are effective in current year but not relevant to the Board

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Board's financial statements and are therefore not detailed in these financial statements.

2.6 Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Board

Following standards and amendments to existing standards have been published and are mandatory for the Board's accounting periods beginning on or after 01 July 2016 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Board is in the process of evaluating the impacts of the aforesaid standard on the Board's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Board's financial statements.



IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Board's financial statements.

2.7 Standard and amendments to published standards that are not yet effective and not considered relevant to the Board

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Board's financial statements and are therefore not detailed in these financial statements.

2.8 Functional and presentation currency

These financial statements are presented in the currency of the primary economic environment in which PPIB operates. The financial statements are presented in Pakistani Rupees, which is PPIB's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

a) Cost

Tangible assets except those transferred from PPC and leasehold land are stated at cost less accumulated depreciation and impairment loss (if any). Property and equipment transferred from PPC are stated at assigned values less depreciation and impairment loss (if any) with corresponding credit to a property and equipment reserve which has been amortised in full over the useful life of these assets. Leasehold land is carried at cost less impairment, if any.

Subsequent costs are included in the assets' carrying amount when it is probable that future economic benefits associated with the item will flow to PPIB and the cost of the item can be measured reliably. Carrying amount of the replaced part is de-recognized.

b) Depreciation

Depreciation is charged on the straight line method so as to allocate their cost over their estimated useful life at the rates specified in note 4 to these financial statements

Depreciation is charged on prorata basis from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off. Days in excess of fifteen days are considered as full month for the purpose of calculation of depreciation.

c) Repairs and maintenance

Maintenance and normal repairs, including minor alterations, are charged to income as and when incurred.

d) Gains and losses on disposal

Gains and losses on disposal of assets are included in income and expenditure account currently.

All other repairs and maintenance are charged to income during the year. Gain and losses on disposal of property and equipment are included in the income and expenditure account currently.

e) Capital work in progress

Capital work in progress is stated at cost.

3.2 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to PPIB and that the cost of such asset can also be measured reliably. Intangible assets having definite useful life are stated at cost less accumulated amortization or impairment loss, if any. Amortization is based on the pattern in which the assets' economic benefits are consumed. Intangible assets which have indefinite useful life are not amortized and tested for impairment, if any.



Amortization is recognized in income and expenditure account on a straight line basis @ 10 % per annum, from the month the asset is available for use.

Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is recognized in income and expenditure account as incurred.

3.3 Financial instruments

Financial assets comprise investments, advances, loans, other receivables, cash and bank balances. Financial liabilities include provision against performance guarantees encashed, accrued and other liabilities. Financial assets and liabilities are recognised when PPIB becomes a party to the contractual provisions of the instrument and de-recognised when PPIB loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

3.4 Financial assets

PPIB classifies its financial assets in the following categories: held-to-maturity investments, loans and receivables, available for sale investments and investments at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade-date — the date on which the Management commits to purchase or sell the asset.

3.4.1 Held to maturity investments

Investments are classified as held to maturity if these investments have a fixed maturity and PPIB has the positive intent and ability to hold such investments to maturity. These investments are initially recorded at cost being the fair value of consideration given including the acquisition cost and are subsequently carried at each year end at amortised cost less impairment loss, if any.

3.4.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. PPIB's loans and receivables comprise "Advances, prepayments and other receivables" and "Cash and bank balances" in the balance sheet. Loans and receivables are carried at amortized cost using the effective interest method.

3.4.3 Available for sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. These investments may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. These investments are initially recognised at cost and subsequently remeasured at fair value.

3.5 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at their amortised cost less an allowance for any uncollectable amounts. Carrying amounts of trade debts and other receivables are assessed on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

3.6 Other receivables

Other receivables are recognized and carried at original invoice value as reduced by appropriate provision for impairment, if any.



3.7 **Accrued and other liabilities**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.8 **Employee retirement benefits**

The main features of the retirement benefit schemes operated by PPIB for its employees are as follows:

3.8.1 **Defined benefit plans**

PPIB has in place a defined benefit funded gratuity for all eligible employees who complete qualifying period of service and age.

The fund is administered by trustees. Annual contributions to the gratuity fund is based on actuarial valuation using Projected Unit Credit Method, related details of which are given in note 14 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to income and expenditure account for the year. The latest actuarial valuation was carried out at 30 June 2016.

Actuarial gains and losses (remeasurement gains / losses) on employees' retirement benefit plans are recognised immediately in other comprehensive income and past service cost is recognized in income and expenditure account when they occur.

Calculation of gratuity requires assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

3.8.2 **Defined contribution plan**

PPIB operates and manages an unfunded contributory provident fund scheme for all its regular employees who have completed the probation period.

Equal monthly contributions are made by PPIB and the employees at the rate of 5% of basic salary. Contributions are charged to income and expenditure account.

3.9 **Leave encashment**

PPIB also has a policy whereby all its employees are able to encash accumulated leave balance as per PPIB service rules. Provision is made in the financial statements for the amount payable on account of unveiled leave balance of the employees. Provision for leave encashment is made for unveiled leave balance as at period end at the rate of 2.5 days for every calendar month of duty period rendered by him.

3.10 **Taxation**

Income tax expense comprises of current and deferred tax.

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in income and expenditure account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period where the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

PPIB takes into account the current income tax law and decisions taken by the taxation authorities.

3.11 Revenue recognition

Revenue from profit on bank balances, investments, operations and other income is recognized on accrual basis. Dividend income is recognised when the right to receive dividend is established.

Proceeds from encashment of performance guarantees is recognized as income in the year in which the guarantee is encashed and the management believes that the outcome of the transaction can be estimated reliably.

3.12 Operating leases

Operating lease rentals are recorded in income and expenditure account on a time proportion basis over the term of the lease arrangements.

3.13 Offsetting

Financial assets and liabilities are set off in the statement of financial position, only when PPIB has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.14 Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak rupee at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to income for the current year.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with bank.

3.16 Provisions

A provision is recognized in the balance sheet when PPIB has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

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4. PROPERTY AND EQUIPMENT

At 1 July 2014

Cost	15,014	6,391	-	13,648	8,475	1,612	16,769	901	15,121	77,931.00
Accumulated Depreciation	-	3,576	-	9,621	5,397	1,272	13,223	569	-	33,658.00
	15,014	2,815	-	4,027	3,078	340	3,546	332	15,121	44,273

Year ended 30 June 2015

Opening net book value	15,014	2,815	-	4,027	3,078	340	3,546	332	15,121	44,273
Additions	-	670	-	1,874	261	-	1,840	-	18	4,663
Disposals	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	1,233	-	-	1,233
Accumulated depreciation	-	-	-	-	-	-	(1,219)	-	-	(1,219)
Depreciation charge	15,014	2,995	-	4,613	2,489	215	3,802	278	15,139	44,545

At 30 June 2015

Cost	15,014	7,061	-	15,522	8,736	1,612	17,376	901	15,139	81,361
Accumulated Depreciation	-	4,066	-	10,909	6,247	1,397	13,574	623	-	36,816
	15,014	2,995	-	4,613	2,489	215	3,802	278	15,139	44,545

Year ended 30 June 2016

Opening net book value	15,014	2,995	-	4,613	2,489	215	3,802	278	15,139	44,545
Additions	-	251	14,298	1,684	1,110	305	4,465	5	30	22,148
Disposals	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	1,592	-	-	1,592
Accumulated depreciation	-	-	-	-	-	-	(1,231)	-	-	(1,231)
Depreciation charge	15,014	2,736	13,905	4,702	2,788	438	5,949	231	15,169	60,932

At 30 June 2016

Cost	15,014	7,312	14,298	17,206	9,846	1,917	20,249	906	15,169	101,917
Accumulated Depreciation	-	4,576	393	12,504	7,058	1,479	14,300	675	-	40,985
	15,014	2,736	13,905	4,702	2,788	438	5,949	231	15,169	60,932

Rate of depreciation (% per annum)

10% 15% 20% 10%

4.1 Capital work in progress

This represents payments made to National Engineering Services Pakistan (Private) Limited, Capital Development Authority and Pakistan Environmental Protection Agency for planning and designing of construction of building on leasehold land.

(Rupees in
thousand)

5. INTANGIBLE ASSETS - Computer softwares

At 1 July 2014

Cost	902
Accumulated Amortization	<u>221</u>
	<u>681</u>

Year ended 30 June 2015

Opening net book value	681
Additions	192
Amortization charge	<u>94</u>
	<u>779</u>

At 1 July 2015

Cost	1,094
Accumulated Amortization	<u>315</u>
	<u>779</u>

Year ended 30 June 2016

Opening net book value	779
Additions	214
Amortization charge	<u>113</u>
	<u>880</u>

At 30 June 2016

Cost	1,308
Accumulated Amortization	<u>428</u>
	<u>880</u>

Rate of amortization (per annum)	10%
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6. LONG TERM INVESTMENTS

Held to maturity

NOTE	2016 (Rupees in thousand)	2015 (Rupees in thousand)
6.1	205,288	203,626
	<u>9,599</u>	<u>9,834</u>
	214,887	213,460

Available for sale

National Investment Trust (NIT) 1,449,798 units (2015: 1,289,127 units)	36,896	26,725
Surplus on remeasurement of investment to fair value	<u>57,558</u>	<u>55,457</u>
	94,454	82,182
	<u>309,341</u>	<u>295,642</u>

Less: Current portion of held to maturity investment shown under current assets	11	<u>121,830</u>	<u>-</u>
		<u>187,511</u>	<u>295,642</u>

- 6.1 These carry interest rates ranging from 9.60% to 11.25% (2015: 9.60% to 11.25%) and maturity period from 3 to 10 years (2015: 3 to 10 years).

7. LOANS AND ADVANCES

Loans and advances - considered good	7.1 & 7.2	44,767	62,117
Less: current portion shown under current asset	9	<u>(15,445)</u>	<u>(15,539)</u>
		<u>29,322</u>	<u>46,578</u>

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- 7.1 These represent loans to employees for house construction, medical and other purposes and carry interest at the rate of one year KIBOR prevailing when loan is granted. The loans are recoverable in equal monthly installments spread over a period of 5 years and are secured against future gratuity payments of the employees and also indemnity bonds in favour of PPIB executed by two employees of PPIB acting as sureties on behalf of employee obtaining loan.
- 7.2 It includes loan to key management personnel amounting to Rupees 3.726 million (2015: Rupees 10.726 million).

	NOTE	2016 (Rupees in thousand)	2015
8. DEFERRED INCOME TAX ASSET			
This comprises of following:			
Deferred tax liability on taxable temporary differences in respect of:			
Accelerated depreciation		1,738	162
Surplus on remeasurement of investments to fair value		566	862
		<u>2,304</u>	<u>1,024</u>
Deferred tax asset on deductible temporary differences in respect of:			
Accumulated tax losses		(171,046)	(127,345)
Remeasurement of staff gratuity		(18,542)	(17,115)
		<u>(189,588)</u>	<u>(144,460)</u>
		<u>(187,284)</u>	<u>(143,436)</u>
8.1 The gross movement in deferred tax asset during the year is as follows:			
Balance as on 1 July		(143,436)	(76,817)
Tax credit recognized in income and expenditure account	25	(42,125)	(54,053)
Tax adjustment in other comprehensive income		(1,723)	(12,566)
Balance as on 30 June		<u>(187,284)</u>	<u>(143,436)</u>
9. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to:			
- employees against expenses		371	527
- suppliers / services		138	3,977
		<u>509</u>	<u>4,504</u>
Current portion of loans and advances	7	15,445	15,539
Prepayments		713	6,161
Accrued interest on bank deposits		640	776
Other receivables		3,689	28,067
		<u>20,996</u>	<u>55,047</u>
10. ADVANCE TAX			

This represents tax withholding suffered at source and includes an amount of Rupees 8.9 million relating to tax years 2009, 2010 & 2011 in whose respect, the refund applications were filed by the Board with taxation authorities on 26 August 2011. A reminder of the same was filed on 18 June 2012 whereas, the aforesaid applications were rejected by the Officer Inland Revenue, Regional Tax Office, Islamabad. PPIB had filed appeals with Commissioner Inland Revenue - Appeals (CIR – A) in this respect which was rejected. Thereafter, PPIB filed appeals with Appellate Tribunal Inland Revenue (ATIR). In disposing off the appeal, the ATIR has vacated the order of CIR-A and directed PPIB to approach the Taxation Officer (TO) and the TO has been directed that he may consult Federal Board of Revenue for procedure in such cases.

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	NOTE	2016 (Rupees in thousand)	2015
11. SHORT TERM INVESTMENTS - Held to maturity			
Regular Income Certificates (RICs)		-	80,000
Term Deposits Receipts (TDRs)			
(In Pak Rupees)			
Pak Oman Investment Company Limited (POICL)		-	100,000
(In US Dollars)			
Faysal Bank Limited (FBL) US\$ 3,803,318 (2015: Nil)		397,447	-
Bank Alfalah Limited (BAL) US\$ 3,812,931 (2015: Nil)		398,451	-
Habib Bank Limited (HBL) US\$ Nil (2015: US\$ 1,047,037)		-	106,270
Habib Metropolitan Bank Limited (HMBL) US\$ 4,827,292 (2015: US\$ 4,661,024)		504,452	473,094
Meezan Bank Limited (MBL) US\$ Nil (2015: US\$ 2,399,919)		-	243,592
United Bank Limited (UBL) US\$ Nil (2015: US\$ 2,399,858)		-	243,585
NIB Bank Limited (NIB) US\$ Nil (2015: US\$ 1,377,244)		-	139,790
		<u>1,300,350</u>	<u>1,306,331</u>
		1,300,350	1,386,331
Current portion of long term investments	6	<u>121,830</u>	-
		1,422,180	1,386,331
Accrued profit on:			
Regular Income Certificates (RICs)		-	235
TDRs			
In Pak Rupees			
- POICL		-	8,975
In US Dollars			
- FBL		918	-
- BAL		669	-
- HBL		-	2,348
- HMBL		3,647	6,231
- MBL		-	933
- UBL		-	900
- NIB		-	394
		<u>1,427,414</u>	<u>1,406,347</u>

11.1 Maturity dates and profit margin are as follows:

Bank / certificate	Currency	Maturity	Profit rate % per annum
RIC	PKR	July 2015 to February 2016	12%
TDRs			
POICL	PKR	August 2015	10.50%
FBL	USD	May 2017	2.05%
FBL	USD	June 2017	2.10%
BAL	USD	June 2017	2.05%
BAL	USD	May 2017	2.05%
HBL	USD	October 2015	3.20%
HMBL	USD	February 2017	2.05%
HMBL	USD	February 2017	2.30%
HMBL	USD	May 2017	2.15%
UBL	USD	April 2016	1.90%
NIB	USD	May 2016	2.10%

12. CASH AND BANK BALANCES

	NOTE	2016 (Rupees in thousand)	2015
Cash at bank:			
- Current accounts	12.1	128	128
- Saving accounts	12.1, 12.2 & 12.3	216,502	91,939
		<u>216,630</u>	<u>92,067</u>
Cash in hand		59	15
		<u>216,689</u>	<u>92,082</u>

12.1 Balances in these accounts include Rupees 33.750 million (2015: Rupees 25.857 million) held on account of employees' provident scheme.

12.2 The balances in saving accounts include USD 1,781,763 (2015: USD 662,151).

12.3 The balances in saving accounts carry rate of profit ranging from 0.10% to 3.75 % (2015: 0.10% to 4.50%) per annum.

See

	NOTE	2016 (Rupees in thousand)	2015
13. PROVISION AGAINST PERFORMANCE GUARANTEES ENCASHED			
Spencer Powergen Company of Pakistan Limited	13.2	41,046	41,046
Star Energy Venture Pakistan Limited	13.3	78,400	78,400
Liberty Power Limited		23,500	23,500
Star Power Generation Company Limited	13.4	280,060	261,836
Kotli Hydropower Project	13.5	52,250	49,025
Gujranwala Energy Limited		104,500	-
China Machinery Engineering		31,350	-
		<u>611,106</u>	<u>453,807</u>

13.1 Movement of provision against performance guarantees encashed

Balance at the beginning	453,807	404,782
Provision for the year	135,620	49,025
Exchange loss	21,679	-
Balance at the end	<u>611,106</u>	<u>453,807</u>

- 13.2 Based on order of Islamabad High Court dated 4 April 2013, PPIB had to pay the amount of performance guarantee of Rupees 33 million along with profits amounting to Rupees 24.51 million. PPIB may be required to pay further amount of Rupees 41.046 million as per contempt petition pending in Islamabad High Court filed by Spencer Powergen Company of Pakistan Limited.
- 13.3 In June 1999, Star Energy Venture Pakistan Limited filed a writ petition before Sindh High Court challenging the encashment of performance guarantee by PPIB and PPIB may be required to pay the said amount.
- 13.4 Star Power Generation Company Limited has filed a writ petition before Sindh High Court challenging the encashment of performance guarantee by PPIB and PPIB may be required to pay the said amount.
- 13.5 In April 2010, PPIB issued Letter of Support (LOS) to Mira Pakistan Limited for the establishment of 100 MW Hydropower project on the Poonch River, near Kotli located in the territory of the State of Azad Jammu and Kashmir (AJ & K). Due to failure to achieve financial close on the specified date i.e. 29 April 2013, the performance guarantee was encashed on 29 May 2013. As per the agreement of agency between PPIB and AJ & K Council, "The Authorized Agent (PPIB) shall transfer to the Principal (AJ & K Council), full amount of bank guarantee and Bid bond following their encashment in the event of default by sponsors or project company less any actual legal expenses incurred by the Authorized Agent". In case the PPIB's act of encashment of performance guarantee is not contested at court of law then after three years this amount shall be payable by PPIB to AJ & K Council.
- 13.6 The provision mentioned above are being carried on the basis of management's assessment of related cases. Further, PPIB is also defending its views before the High Court in connection with the above cases filed by the aforesaid entities.

14. STAFF GRATUITY

The latest actuarial valuation was carried out as at 30 June 2016, using the projected unit credit method. The amounts recognized in financial statements are determined as follows:

	2016 (Rupees in thousand)	2015
14.1 The amounts recognized in the balance sheet are as follows:		
Present value of defined benefit obligation	188,231	174,143
Fair value of plan assets	<u>(165,964)</u>	<u>(147,867)</u>
	<u>22,267</u>	<u>26,276</u>

By

2016 2015
(Rupees in thousand)

14.2 The amounts recognised in income and expenditure account are as follows:

Current service cost	16,231	16,699
Net interest cost	1,281	10,549
	<u>17,512</u>	<u>27,248</u>

14.3 Actual return on plan assets 13,338 8,237

14.4 Based on the actuarial valuation a contribution of Rupees 11.709 million is expected to be paid to the defined benefit plan during the year ending 30 June 2017.

14.5 Changes in the present value of defined benefit obligation are as follows:

Present value of defined benefit obligation at beginning	174,143	152,928
Current service cost	16,231	16,699
Interest cost	15,936	19,382
Benefits paid	(21,391)	(13,298)
Remeasurement of defined benefit obligation	3,312	(1,568)
Present value of defined benefit obligation at 30 June	<u>188,231</u>	<u>174,143</u>

14.6 Changes in the fair value of plan assets are as follows:

Fair value of plan assets at beginning	147,867	73,305
Expected return on plan assets	14,655	8,833
Contributions to the fund	26,276	79,623
Benefits paid	(21,391)	(13,298)
Remeasurement of plan assets	(1,443)	(596)
Fair value of plan assets at 30 June	<u>165,964</u>	<u>147,867</u>

14.7 Composition of plan assets as a percentage of total plan assets of defined gratuity plan are as follows:

	2016	2015	2016	2015
	%	%	(Rupees in thousand)	(Rupees in thousand)
Bank balances	8.37	66.63	13,883	98,523
Term Finance Certificates	24.99	30.58	41,481	45,215
NIT units	2.54	2.79	4,220	4,129
Term Deposit Receipts	64.10	-	106,380	-
	<u>100</u>	<u>100</u>	<u>165,964</u>	<u>147,867</u>

14.8 Principal actuarial assumptions used in the actuarial valuation are as follows:

Discount rate	9.25%	9.75%
Future salary increase	9.25%	9.75%
Expected return on plan assets	9.25%	9.75%
Average expected remaining working life of employees	9.96 years	10.47 years
Average duration of liability	9.76 years	9.7 years

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14.9 Amounts for current and previous annual periods are as follows:

	2016	2015	2014	2013	2012
	(Rupees in thousand)				
Defined benefit obligation	188,231	174,143	152,928	129,854	57,421
Plan assets	(165,964)	(147,867)	(73,305)	(54,368)	(43,547)
	<u>22,267</u>	<u>26,276</u>	<u>79,623</u>	<u>75,486</u>	<u>13,874</u>
Experience adjustments on:					
- Plan liabilities	3,312	(1,568)	(3,713)	60,736	(1,882)
- Plan assets	<u>1,443</u>	<u>596</u>	<u>2,851</u>	<u>(486)</u>	<u>19</u>
				2016	2015
				(Rupees in thousand)	

14.10 Re-measurements recognised in OCI during the year:

Remeasurment (loss) / gain on obligation	(3,312)	1,568
Remeasurment loss on plan assets	<u>(1,443)</u>	<u>(596)</u>
	<u>(4,755)</u>	<u>972</u>

14.11 Sensitivity analysis

Discount Rate + 1 %	171,211	158,538
Discount Rate - 1 %	207,966	192,278
Salary growth rate + 1 %	208,736	192,916
Salary growth rate - 1 %	170,262	157,741
Withdrawal rates + 10%	188,230	174,143
Withdrawal rates - 10%	188,232	174,143
1 year mortality age set back	188,231	174,143
1 year mortality age set forward	188,231	174,143

14.12 Maturity profile

Year 1	3,121	15,767
Year 2	17,089	2,771
Year 3	12,336	16,790
Year 4	7,452	11,387
Year 5	28,774	6,898
Year 6 to year 10	68,569	84,693
Year 11 and above	302,646	451,847

14.13 Risk associated with defined benefit plans

Investment risk:

The risk arises when the actual performance of the investment is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk:

The risk of actual withdrawals varying with actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

See

	NOTE	2016 (Rupees in thousand)	2015
15. ACCRUED AND OTHER LIABILITIES			
Accrued expenses		6,847	4,363
Provision of leave encashment	15.1	12,740	11,558
Audit fee payable		726	693
Withholding tax		114	99
Retention money		710	710
Other payables		14,673	1,722
Provident fund payable		33,750	25,857
		<u>69,560</u>	<u>45,002</u>
15.1 Movement of provision of leave encashment is as follows:			
Balance at the beginning		11,558	10,605
Expense for the year	21	10,627	10,098
Payment to outgoing employees		<u>(9,445)</u>	<u>(9,145)</u>
Balance at the end		<u>12,740</u>	<u>11,558</u>

16. PPIB FUND

As per the requirement of Section 14 of the PPIB Act (Act No. VI of 2012), the accumulated surplus and Government fund available on the PPIB balance sheet as at 1 March 2012 were converted into PPIB Fund. The PPIB Fund is to be administered and controlled by PPIB. The PPIB Fund is to be funded through various sources as specified in Section 14 of the PPIB Act and expended for operations of PPIB for the objects and purposes as specified in Section 15 of the PPIB Act. At the end of each financial year, a balance sheet and income and expenditure account is required to be prepared and any profit / loss is to be transferred to the PPIB Fund.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingent liabilities

Certain sponsors of power projects have filed suits against Government of Pakistan (GOP) / PPIB for aggregate claims against damages of Rupees 113,495 million (2015: Rupees 113,491 million) and US\$ 58 million (2015: US\$ 58 million). Also, claims have been lodged against the performance guarantees encashed amounting to Rupees 78.8 million (2015: Rupees 78.8 million) and US\$ 1.147 million (2015: US\$ 1.147 million). These law suits are currently being defended by PPIB. At this stage, either it is not possible to determine the expected outcome of these litigations or the favorable results to PPIB are probable. All the cases are pending in the courts of law so the expected timing of outflow of resources cannot be ascertained.

	2016 (Rupees in thousand)	2015
17.2 Commitment		
Commitment against capital expenditure	<u>26,168</u>	<u>26,168</u>
18. PERFORMANCE GUARANTEES ENCASHED		
Gujranwala Energy Limited	104,300	-
China Machinery Engineering	31,320	-
	<u>135,620</u>	<u>-</u>
19. INCOME FROM OPERATIONS		
Registration fee	1,247	508
Request for quotation fee	6,295	-
Expression of interest fee	3,753	2,561
Project processing fee	77,350	46,938
	<u>88,645</u>	<u>50,007</u>

Raw

	NOTE	2016 (Rupees in thousand)	2015 (Rupees in thousand)
20. INCOME FROM FINANCIAL ASSETS			
Return on bank deposits		2,565	3,379
Return on held to maturity investments		61,047	104,222
Interest on loans to employees		3,810	5,839
Dividend income		11,624	-
Exchange gain		16,125	34,748
		<u>95,171</u>	<u>148,188</u>
21. SALARIES AND BENEFITS			
Salaries and allowances		212,464	216,612
Provision for staff gratuity		17,512	27,248
Provision for leave encashment	15.1	10,627	10,098
Provident fund contribution		5,897	6,120
Other benefits		44,320	33,452
		<u>290,820</u>	<u>293,530</u>
22. REPAIR AND MAINTENANCE			
Vehicle running and maintenance		3,638	4,295
Office repair, maintenance and renovation		489	500
Computer repair		348	298
Equipment repair		479	449
Furniture repair		19	55
		<u>4,973</u>	<u>5,597</u>
23. PRINTING AND STATIONERY			
Computer stationery		502	612
Office stationery		1,047	853
Printing		494	1,287
		<u>2,043</u>	<u>2,752</u>
24. OTHER EXPENSES			
Newspapers and periodicals		185	172
Training, conferences and seminars		792	2,111
Entertainment and office supplies		1,756	1,572
Security services		1,605	1,119
Loss on sale of fixed assets		-	14
Miscellaneous		864	916
		<u>5,202</u>	<u>5,904</u>
25. TAXATION			
Current			
Current year	25.1	1,453	460
Prior year		(460)	-
		<u>993</u>	<u>460</u>
Deferred			
Current year	8.1	(42,125)	(54,053)
		<u>(41,132)</u>	<u>(53,593)</u>

- 25.1 Provision for current tax represents tax on dividend income only because of gross loss for the year and in view of available tax losses of Rupees 570.153 million (2015: Rupees 420.483 million). Consequently, tax expense reconciliation is not being presented.

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26. FUND MANAGEMENT

PPIB's objective when managing fund is to safeguard PPIB's ability to continue as a going concern so that it can achieve its primary objective, provide benefits for other stakeholders and to maintain a strong fund base to support the sustainable operations. There were no changes to PPIB's approach to fund management during the year and PPIB is not subject to externally imposed fund requirements.

27. RELATED PARTY TRANSACTIONS

PPIB operates in an economic regime currently dominated by entities directly or indirectly controlled by the Government of Pakistan ("State - controlled entities") through its government authorities, agencies, affiliates and other organizations. Transactions with these state - controlled entities are not very significant and hence impracticable to quantify for disclosure in these financial statements.

Other related parties are key management personnel and gratuity fund/trust. Transactions with key management personnel and gratuity fund are as follows:

	2016	2015
	(Rupees in thousand)	
Salaries and benefits	49,441	48,641
Contribution to gratuity fund / trust	26,276	79,623

28. FINANCIAL RISK MANAGEMENT

28.1 Financial risk factors

PPIB's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). PPIB's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on PPIB's financial performance. The Board Members have overall responsibility for the establishment and oversight of PPIB's risk management framework. The Board Members are also responsible for developing and monitoring PPIB's risk management policies.

This note presents information about PPIB's exposure to each of the above risks, PPIB's objectives, policies and processes for measuring and managing risk, and PPIB's management of fund. Further quantitative disclosures are included throughout these financial statements.

Risk management policies are established to identify and analyse the risks faced by PPIB, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and PPIB's activities. PPIB, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.2 Market risk

Market risk is the risk that the value of financial instrument, may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in the market sentiments, speculative activities, supply and demand of securities and liquidity in the market, will affect PPIB's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. PPIB is exposed to currency risk, interest rate risk and price risk only.

28.3 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Pak rupee is the functional currency of PPIB and as a result currency exposure arises from transactions and balances in currencies other than Pak Rupee. PPIB's potential currency exposure comprises;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of PPIB are periodically restated to Pak rupee equivalent, and the associated gain or loss is taken to the income and expenditure account. The currency risk related to monetary items is managed as part of the risk management strategy.

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Transactional exposure in respect of non functional currency expenditure and revenues

Performance guarantees encashed, income from operations, and certain income on investments and bank deposits is earned in currencies other than the functional currency. These currency risks are managed as a part of overall risk management strategy. There were no forward exchange contracts.

Exposure to currency risk

PPIB's exposure to currency risk is as follows:

	2016 (US Dollars in thousand)	2015
Short term investments - held to maturity	12,444	11,885
Bank balances	1,782	662
Performance guarantees encashed	4,480	3,180
Net exposure	<u>9,746</u>	<u>9,367</u>

The following significant exchange rates applied during the year:

	2016	2015
Rupees per USD		
Average rate	104.27	100.86
Reporting date mid point rate	104.50	101.50

Sensitivity analysis

At 30 June 2016, if the currency had weakened / strengthened by 10% against US dollar with all other variables held constant, loss for the year would have been Rupees 101.846 million (2015: Rupees 95.075 million) higher/lower. The analysis is performed on the same basis for comparative period.

28.4 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Board's investment in mutual fund amounting to Rupees 94.454 million (2015: Rupees 82.182 million) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2016, if fair value (NAV) had been 10% higher / lower with all other variables held constant, total comprehensive loss for the year would have been higher / lower by Rupees 9.445 million (2015: Rupees 8.218 million).

28.5 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period. A policy is adopted to ensure that interest rate risk is minimized by investing in fixed rate investments like PIBs, RICs, and TDRs. There were no borrowings.

Profile

At the reporting date the interest rate profile of variable rate interest-bearing financial instruments is:

	2016 (Rupees in thousand)	2015
Floating rate instruments		
Financial assets		
Bank balances	216,502	91,939

Sensitivity analysis

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss for the year would have been Rupees 2.165 million (2015 : Rupees 0.919 million) lower / higher, mainly as a result of higher / lower interest on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet dates were outstanding for the whole year.

28.6 Credit risk

Credit risk represents the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 (Rupees in thousand)	2015 (Rupees in thousand)
Investments	1,614,925	1,701,989
Loans, advances and other receivables	49,467	91,487
Bank balances	216,630	92,067
	<u>1,881,022</u>	<u>1,885,543</u>

Geographically there is no concentration of credit risk as PPIB operates in the same geographical area.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.

Bank balances	Short term	Long term	Agency	2016 (Rupees in thousand)	2015 (Rupees in thousand)
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	134	131
Dubai Islamic Bank Limited	A1	A+	JCR-VIS	5,226	5,074
Summit bank Limited	A1	A	JCR-VIS	19	18
National Bank of Pakistan	A1+	AAA	PACRA	9,613	615
Habib Bank Limited	A-1+	AAA	JCR-VIS	70,636	49,418
Bank Alfalah Limited	A1+	AA	PACRA	1,315	304
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	713	19,997
United Bank Limited	A1+	AAA	JCR-VIS	108,750	98
NIB Bank Limited	A1+	AA-	PACRA	242	234
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	152	146
Askari Bank Limited	A1+	AA+	PACRA	17	17
JS bank Limited	A1+	A+	PACRA	3,607	3,503
Faysal Bank Limited	A1+	AA	PACRA	15,486	11,798
MCB Bank Limited	A1+	AAA	PACRA	49	49
First Women Bank Limited	A2	A-	PACRA	650	645
Silkbank Limited	A-2	A-	JCR-VIS	21	20
				<u>216,630</u>	<u>92,067</u>

Investments	Short term	Long term	Agency	2016 (Rupees in thousand)	2015 (Rupees in thousand)
Term deposit receipts					
Pak Oman Investment Company Limited	A1+	AA+	JCR-VIS	-	108,975
- Faysal Bank Limited	A1+	AA	PACRA	398,365	-
- Bank Alfalah Limited	A1+	AA	PACRA	399,120	-
- Habib Bank Limited	A-1+	AAA	JCR-VIS	-	108,618
- Habib Metropolitan Bank Limited	A1+	AA+	PACRA	508,099	479,325
- Meezan Bank Limited	A1+	AA	JCR-VIS	-	244,525
- United Bank Limited	A1+	AAA	JCR-VIS	-	244,485
- NIB Bank Limited	A1+	AA-	PACRA	-	140,184
				<u>1,305,584</u>	<u>1,326,112</u>
National Investment Trust	Unknown			94,454	82,182
Pakistan Investment Bonds	Unknown			214,887	213,460
Regular Income Certificates	Unknown			-	80,235
				<u>1,614,925</u>	<u>1,701,989</u>

Loans, advances other receivables

Pak Oman Advantage Fund	A+(f)			-	24,972
Other banks	A 1+			640	776
Advances and other receivables	unknown			19,505	19,161
Loans and advances	unknown			29,322	46,578
				<u>49,467</u>	<u>91,487</u>

Due to the Board's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Board. Accordingly the credit risk is minimal.

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28.7 Liquidity risk

Liquidity risk is the risk that PPIB will not be able to meet its financial obligations as they fall due. PPIB's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

PPIB follows an effective cash management and planning policy to ensure availability of funds and to take measures for new requirements.

The maturity profile of PPIB's financial liabilities based on the contractual amounts is as follows:

	2016		2015	
	Carrying amount	Contractual cash flows (within one year)	Carrying amount	Contractual cash flows (within one year)
	----- (Rupees in thousand) -----			
Provision against performance guarantees encashed	611,106	611,106	453,807	453,807
Other payables having maturity up to one year	22,956	22,956	7,488	7,488
	<u>634,062</u>	<u>634,062</u>	<u>461,295</u>	<u>461,295</u>

29. FINANCIAL INSTRUMENTS

29.1 Financial assets and liabilities

30 June 2016

Financial assets :

	Loans and Receivables	Available for sale	Total
	(Rupees in thousand)		
Maturity upto one year			
Advances and other receivables	20,145	-	20,145
Short term investments	1,427,414	-	1,427,414
Cash and bank balances	216,689	-	216,689
Maturity after one year			
Long term investments	93,057	94,454	187,511
Loans and advances	29,322	-	29,322
	<u>1,786,627</u>	<u>94,454</u>	<u>1,881,081</u>

Financial liabilities :

	Other financial liabilities	Total
	(Rupees in thousand)	
Maturity upto one year		
Provision against performance guarantees encashed	611,106	611,106
Accrued and other liabilities	22,956	22,956
	<u>634,062</u>	<u>634,062</u>

30 June 2015

Financial assets :

	Loans and Receivables	Available for sale	Total
	(Rupees in thousand)		
Maturity upto one year			
Advances and other receivables	44,909	-	44,909
Short term investments	1,406,347	-	1,406,347
Cash and bank balances	92,082	-	92,082
Maturity after one year			
Long term investments	213,460	82,182	295,642
Loans and advances	46,578	-	46,578
	<u>1,803,376</u>	<u>82,182</u>	<u>1,885,558</u>

Financial liabilities :

	Other financial liabilities	Total
	(Rupees in thousand)	
Maturity upto one year		
Provision against performance guarantees encashed	453,807	453,807
Accrued and other liabilities	7,488	7,488
	<u>461,295</u>	<u>461,295</u>

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29.2 Fair value of financial instruments

The carrying value of all financial assets and liabilities reflected in the financial statements approximates their fair values except for held to maturity financial assets which are carried at amortized cost whose fair value in comparison with carrying amount is as follows:

	2016		2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	----- (Rupees in thousand) -----			
Assets carried at amortized cost				
Short term Investments	1,305,584	1,305,584	1,406,347	1,406,347
Long term investments	214,887	210,656	213,460	211,710
	<u>1,520,471</u>	<u>1,516,240</u>	<u>1,619,807</u>	<u>1,618,057</u>

The basis for determining fair values is as follows:

29.3 Interest rates used for determining the fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

29.4 Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Board has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3
	(Rupees in thousand)		
30 June 2016			
Assets carried at fair value			
Available for sale investments	<u>94,454</u>	<u>-</u>	<u>-</u>
30 June 2015			
Assets carried at fair value			
Available for sale investments	<u>82,182</u>	<u>-</u>	<u>-</u>

The carrying value of the financial assets and liabilities reflected in financial statements approximate their respective fair values.

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements as the Board has no investments which are classified under level 3 of fair value hierarchy table.

The Board's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Board is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

29.5 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

30. DATE OF APPROVAL

These financial statements were approved on 15 FEB 2017 by the Board Members of PPIB.

31. CORRESPONDING FIGURES

No significant reclassification have been made in corresponding figures except for provision for taxation amounting to Rupees 523 thousand which has now been shown by netting of with advance tax for better presentation.

32. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise. *Ras*



MANAGING DIRECTOR



BOARD MEMBER



PRIVATE POWER & INFRASTRUCTURE BOARD

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