



SEC/BM-1220/20
05 October 2020

The Director / HOD
Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi

Subject: KE Board approves PKR 9.5 billion for rain risk mitigation plan

Dear Sirs,

Further to our intimation dated 30 September 2020, this is to inform that the Board of Directors of the Company at its meeting held on Friday, 02 October 2020 approved an additional investment of PKR 9.5 billion for rain mitigation measures over and above budgeted investment of PKR 24.4 billion for the upgradation of infrastructure and advancement of protection in distribution network approved earlier. The project plan was approved by the Board of Directors on Friday after a Special Committee constituted by Board presented its report to the Board on Company's performance and challenges during rain. The Board also approved engagement of external consultant to review the project plan and further strengthen its execution.

The upgradation project will include raising of distribution equipment foundation levels in areas water logged during recent rains, waterproofing of identified substations, replacing of old equipment and main cables at key identified locations, and increasing the capacity to augment the dewatering efforts made by civic agencies.

It is pertinent to mention that the city received unprecedented rainfall of 730mm during this monsoon and while KE was able to keep its system functioning, therefore it is important that upgradations are made to improve the availability of power to citizens. To this end, the utility will carry out all necessary actions to ensure enhanced service.

The company is also making substantial investment in high loss area under its flagship Sarbulandi Project, which constitutes about 40% of the city, to improve service delivery and safety of the residents. These investments will also ensure the deployment of theft resistant Ariel Bundled Cables (ABC) in these areas, which will improve the safety standards and will bring more people on the legal network.

The Special Committee recommended formal engagement with and cooperation from all concerned stakeholders for taking timely steps before the next monsoon season such as clearance of the inter-city drainage systems and removal of encroachments to ensure that KE's ability to provide power is not impaired during rain. The Special Committee also recommended to seek regulatory support from NEPRA on approval of infrastructure investments filed during Mid Term Review of KE tariff. The Special Committee further recommended GOP support for allocation of adequate gas with appropriate pressure and additional power from national grid to ensure maintenance of policy load shed regime in the city.

Yours sincerely,



Muhammad Rizwan Dalia
Chief People Officer & Company Secretary