

Ref: SECK/PSX/18/ 518  
Date: 23 May 2018

Mr. Muhammad Ghufraan  
Deputy General Manager - Operations  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi – 74000

**Sub: Holding of K-Electric Limited AGM for Financial Year ended 30 June 2017**

Dear Sir,

This refers to your letter No.PSX/C-17-2361 dated 17 May 2018 received in this office on 21 May 2018.

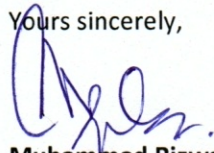
The Company has been informing and updating SECP, PSX and shareholders of the Company on regular basis that K-Electric's Multi Year Tariff (MYT) expired on 30 June 2016 and tariff for the period starting 01 July 2016 has not yet been finalized and notified. It was also informed that a reconsideration application had been filed with NEPRA by the Ministry of Energy, GOP to review MYT for K-Electric and NEPRA has yet to announce its decision, in this regard. Considering the fact that the Company does not have a valid tariff for the year starting 01 July 2016 and cannot just prepare the financial statements on the basis of estimation in the absence of basic topline revenue number, SECP instructed the Company to apply for direction to hold AGM for FY 2017 at a time when the Company was reasonably certain about a definite date for holding AGM. The instructions of SECP were duly acknowledged and communicated to PSX as well.

However, SECP has recently issued a direction to the Company to hold AGM for FY 2017 latest by 25 July 2018. All efforts are being made to comply with SECP direction to hold AGM within the specified time, however, you will kindly appreciate, that preparation of accurate financial statements for the year ended 30 June 2017 is contingent upon NEPRA's decision on reconsideration request of Ministry of Energy, GOP. As the accuracy of the contents of the financial statements to be produced by the Company and presented at the AGM for approval of shareholders is dependent entirely on the MYT finally determined by NEPRA, therefore, it is beyond the control of the Company and its management to prepare the financial statements without notification of NEPRA decision.

We assure our valued shareholders that as soon as the final MYT is notified, Annual General Meeting will be held without any delay after completion of stipulated regulatory requirements.

We trust this will clarify the position.

Yours sincerely,



**Muhammad Rizwan Dalia**  
Company Secretary