



PLEDGE TO RESTORE GLORY OF 'CITY OF LIGHTS'

AZM CONFERENCE CONCLUDES

KESC successfully completed the final phase of its AZM Tameer-e-Nau Management Conference in December 2012. The final phase - involving 2,200 officers and management staff - was dedicated to reinforce the common goal of restoring Karachi's former glory as the 'City of Lights'. Earlier in 2012, around 8,600 employees had participated in the first two phases of AZM Conference that expressed their unanimous commitment to transform KESC into a truly customer centric private entity. A total of 11,000 employees took part in the AZM Conference.

During the final phase, 10 sessions were held. The initial three sessions were dedicated to senior officers while the next five sessions were aimed at engaging Assistant Managers and Managers. The final two sessions were mainly reserved for Deputy General Managers.

Addressing the participants, **Tabish Gauhar, CEO of KESC**, said, "Our intent is to see that a fair system is established which allows talent to surface and flourish. It is imperative that we follow principles, instead of personalities, to ensure on-going growth and sustainability. We want our colleagues not to follow any instructions that violate the law and our guiding principles and policies."

Ghufran Atta Khan, Chief Engagement Officer, said, "The fate of our people rests in our management colleagues' hands so we must

act responsibly while making decisions. We are all responsible for providing a values-driven leadership to those who work for us."

Asir Manzur, Chief Human Resource Officer, reflected on the objectives, implementation and evolution process of the "Performance Management" system in great detail and said that "KESC is a dynamic institution, striving to deliver the very best to its customers."

Nayer Hussain, Chief Distribution Officer, stated, "It is because of your hard work and continuous dedication that after 18 years we have collectively brought the organization into profit."

Arshad Zahidi, Chief Generation and Transmission Officer, said, "All we need to do is to work with honesty, complete dedication and fairness. We are all equal - we are one but the only thing that differentiates us is the factor of performance and performance alone".

The aim of the conference was not only to establish better communication with the employees, but also to provide an interactive forum where everyone had the opportunity to share ideas on how to transform KESC into an operationally efficient and effective entity by realizing the AZM to "Restore and Maintain Pride in KESC, Karachi and Pakistan."

THOUGHT LEADERSHIP FORUM 2ND SESSION HELD

SOCIAL ENTREPRENEURSHIP AS MEANS TO SUSTAINABLE DEVELOPMENT

KESC THOUGHT
LEADERSHIP
FORUM



In order to promote social entrepreneurship as a means to sustainable development, KESC held the second session of the Thought Leadership Forum titled: "Social Entrepreneurship and its Impact on Sustainable Development."

KESC CEO Mr. Tabish Gauhar, in his welcome address, said, "KESC has founded the Thought Leadership Forum to provide a platform for bringing together progressive minds on various micro and macro developmental issues." Elaborating further, he said, "Philanthropy was one of the basic factors behind sustainability of the Pakistani society. NGOs, being a major vehicle to distribute the social philanthropic wealth, need to learn from corporate experience of improving efficiency and productivity by placing the right persons at the right places. Similarly, the corporate sector needs to realize the importance of contributing to society as a major sustainability factor, and to learn from non-profit organizations as to how to share their blessings with the deserving people in the best possible manner."



Dr. Adib Rizvi, Founder and Director, Sindh Institute of Urology and Transplantation (SIUT), in his keynote address on the main theme, said, "More than 80 percent of our population has access to substandard and insufficient healthcare services. A very small minority could afford to buy quality healthcare at private hospitals. In such a situation, there is a great need to expand the funding and scope of NGO-based hospitals which offer quality healthcare at a bare cost."

This could only happen through active collaboration between the philanthropic corporate sector and social welfare institutions."



Dr. Abdul Bari Khan, CEO of Indus Hospital, while speaking on the topic, "Promoting a Culture of Social Collaborations for Sustainable Development," emphasized on collaboration among the government, corporate sector and non-profit organizations to achieve the target of collective sustainable development. He said, "Besides Zakat and financial contributions which are the major sources of funding for non-profit social organizations, community support and personal participation of skilled individuals was also needed to enhance social sector activities."



"The Emerging Model of Social Enterprise in Pakistan" was covered by **Mr Mushtaq A. Chapra, Founder and Director, The Citizens Foundation**. He said, "Collaboration among all the stakeholders and social entrepreneurs was the key factor towards real sustainability of Pakistani society." He appreciated KESC's efforts to promote the social welfare sector that could prove a role model for other corporate sector entities.

Ms. Zehra Mehdi Aneek, General Manager, Corporate Social Responsibility, in her note of thanks, said, "The objective of this forum is to bring together legendary 'Social Entrepreneurs' and bring to light the present and future role of the social enterprise in the economic as well as social progress of the country."

STATE BANK OF PAKISTAN LAUDS KESC'S PERFORMANCE

Karachi Electric Supply Company has been at the forefront of Karachi's development for the last 100 years. Post privatization and under its present management, KESC has been operating with a renewed vision and a customer focused business strategy. KESC's refreshing new approach has been lauded by many independent forums in the past and, most recently, the State Bank of Pakistan, in its Annual Report 2011-12, has duly acknowledged KESC's above par performance.

While talking about key challenges faced by the power sector, SBP notes:

"Leakages in terms of theft and inefficiencies at the generation and transmission stage, must be seriously addressed. In this regard, the example of a privatized KESC is insightful: this utility has shed surplus staff (despite stiff union opposition); has cut power supply on account of unpaid bills (even for high profile government agencies); has invested in more efficient generation units; and has formulated a commercially-driven load-shedding schedule. As a result, the situation is quite different in Karachi compared to the rest of the country"- (State Bank of Pakistan – Annual Report 2011-12).

Touching upon the circular debt issue, the report says:



"As circular debt continues to choke cash-flows across the power supply chain, liquidity constrained power plants were forced to remain idle (or produce below capacity) because of their inability to procure

fuel. As discussed earlier, peak load management for the Pakistan Electric Power Company (PEPCO) system has risen sharply. According to NEPRA's annual report for FY12, at the height of the crisis, urban centres witnessed power outages of 9-10 hours in urban areas, and rural areas witnessed outages of 16-18 hours".

"In Karachi, which is supplied by the privately-run KESC, generation was also lower in FY12 compared to last year; however, the situation was quite different from the rest of the country. KESC adopted the strategy of loss-segmented load-shedding, which means the duration of power outages in a particular area depends on the recovery of bills from that area. In effect, outages were minimized for areas where bill collection was high. Furthermore, the fuel mix improved, as the share of generation from gas was increased" – (State Bank of Pakistan – Annual Report 2011-12).

While we are humbled by this acknowledgment by an august and credible federal institution, we take this opportunity to reassure all our customers that we would continue our progressive journey and with the help of all our stakeholders, transform KESC into a dynamic and customer focused power utility.

For detailed reading, you can access the report using the following link: <http://www.sbp.org.pk/reports/annual/arFY12/Energy.pdf>

IFC SIGNS COOPERATION AGREEMENT ON BIO-WASTE- TO-ENERGY PROJECT

KESC and Aman Foundation have set up a joint venture, '**Karachi Organic Energy Ltd**' (KOEL) The renewable energy venture is potentially the largest Bio-Waste to Energy Power Plant of its kind, located in the Landhi Cattle Colony of Karachi. Other local and foreign entities including technology providers, HimarkBioGas.Com and even General Electric Company (GE)



have shown interest in investing in this project. In a major development, **the International Finance Corporation (IFC) signed a 'Cooperation Agreement' with KOEL on November 12, 2012.**

KOEL will be utilizing biodegradable waste from the Landhi Cattle Colony and organic food waste from the city to produce 22MW of electricity and 100,000 tons per annum of organic fertilizer.

At the signing ceremony, Tabish Gauhar, CEO KESC, said, "There is tremendous potential in this bio-gas project, since its footprint extends beyond power generation, by having a positive outreach for the community and, importantly, for the environment."

Ahsan Jamil, CEO, Aman Foundation, said, "Aman's mandate to make transformative community impact in Karachi and Pakistan, is only further enhanced by this venture. We firmly believe that sustainability in all its forms delivers to our core purpose - to transform ordinary lives."

Speaking at the ceremony, the Governor Sindh, Dr. Ishrat ul Ibad, said, "This green energy project spearheaded by KESC, Aman and partnered by IFC, marks the first step towards a new era of clean energy in Pakistan. Such ventures, which contribute towards reducing the energy crunch in an eco-friendly manner while paying back to the community, can prove to be a paradigm shift in the energy equation of our country.

KESC RECEIVES \$ 50 MILLION FOREIGN DIRECT INVESTMENT (FDI)

KESC has confirmed receiving an investment of USD 25 million each, from the International Finance Corporation (IFC) and Asian Development Bank (ADB), which now makes these two multilateral agencies equity holders in KESC.



IFC (a member of the World Bank Group) and ADB have subscribed to additional share capital by converting USD 50 million of their original USD 275 million financing facility to the power utility. As per the loan financing agreement signed by IFC and ADB with

KESC in 2010, the two international institutions had the right to convert up to USD 50 million of their debt into equity before 31 Dec 2012. This debt financing was provided by the two institutions to partly finance KESC's state-of-the-art and one of the most efficient power plants, the 560 MW BQPS-II. The 560 MW plant was successfully installed and commissioned in the middle of 2012, ahead of its planned schedule.

This encouraging endorsement by IFC and ADB is being hailed by KESC as a positive sign, paving the way for international investor confidence not only in the utility but also in the Pakistani economy. This latest development reflects the confidence these two leading international financial institutions repose in the turnaround and progress of KESC and will go a long way in providing greater financial leverage to KESC and also create savings in terms of reduction in the servicing of financial charges.

US SENIOR ADVISOR VISITS KESC

United States' Senior Advisor for Pakistan, Robin L. Raphel along with the US Consul General in Karachi, Michael Dodman and other members of the US diplomatic team, met KESC's leadership recently. KESC



CEO, Tabish Gauhar, briefed the US delegation on the progress that the company has made during the last three and a half years, under the present management team.

Ms. Raphel showed a deep understanding of the present energy situation in Pakistan and informed the KESC team that the US government is very keen to help Pakistan in resolving the prevalent energy crisis. She also assured KESC of her full cooperation and stressed the need for an ongoing dialogue as a means to foster future collaboration.

PIA, KESC INK MOU FOR ENERGY CONSERVATION

KESC has signed an MoU with PIA to engage in a joint action plan for the implementation of efficient practices in energy conservation, at PIA's offices and installations. The MoU was signed



by KESC CEO Tabish Gauhar and Captain Junaid Younus, Managing Director, PIA. Speaking at the signing ceremony, Tabish Gauhar said, "KESC would provide all possible technical assistance and support to PIA to ensure the earliest possible implementation of the efficiency and conservation program, aimed at saving electricity consumption." Addressing the audience, which included senior team members from both the organizations, the KESC CEO underscored the importance of energy conservation and the impact it leaves on the environment, saying that, "A Megawatt saved is a Megawatt generated."

KESC DCFO RECEIVES AWARD FROM ACCA

KESC's Deputy Chief Financial Officer, Shehzad Yousuf has become the first Pakistani to have received the Association of Chartered Certified Accountants (ACCA) Achievement Award for his contribution to the profession of accountancy in the country. Ms. Helen Brand, Global Chief Executive of ACCA Global, paid rich



tributes to Shehzad while conferring the award. She said that the training program currently being managed by Shehzad at KESC would pave the way to provide opportunity to a number of young finance professionals in the future. Speaking about Shehzad, Brand said, "His experience, achievements and dedication to supporting

the next generation makes him a worthy recipient of this award." KESC is also the recipient of the "Gold Employer Status" by ACCA, and has also been included in the list of "Approved Training Employers" by ICAEW. Recognition by such institutions reflects the high professional standards adopted by KESC and the opportunities it provides for fostering young talent. KESC has reiterated its firm commitment towards providing a merit based environment to professionals and expressed pride over the recognition of its contribution by esteemed global institutes like the ACCA.

OHSAS 18001 CERTIFICATION FOR KESC GENERATION FLEET

KESC's Generation team has proudly achieved for its Power Plants, international certifications of OHSAS 18001 and ISO 14001, reflecting their compliance in the fields of occupational health and safety management systems and for being in conformity with environmental prudence. Currently, KESC's generation fleet comprising BQPS-1, BQPS-2, CCPP, SGTPS and KGTPS are certified by OHSAS 18001, benchmarked on their health and safety standards, while BQPS-2 and CCPP have also achieved the ISO 14001 certification.



In recognition of these commendable achievements and efforts, a ceremony was held at the KESC Head Office to acknowledge the contribution of those who helped realize these goals.

Speaking at the ceremony, the CEO KESC, Mr. Tabish Gauhar, said that "Safety, Environmental Excellence and Conservation are mainstream functions and the philosophy of Safety First should not remain a conscious effort but should pervade as a routine."

KESC FOOTBALL TEAM ACHIEVES 2ND POSITION IN PPL

KESC finished their season as the runner-up when they defeated former champions WAPDA 1-0 in their last league game of the 9th Pakistan Premier Football League held at the KPT Stadium. KESC ended their voyage of 30 matches on 62 points. This is the first time KESC has ended as the runner-up. Last year, KESC had ended fifth. This is also the first time KESC and a team from Pakistan has achieved second position.



KESC-AGA KHAN SHARED 132KV GIS GRID STATION AT AKHMCF PREMISES

KESC and Aga Khan Hospital & Medical College Foundation (AKHMCF) have signed Contract Agreements with M/s Siemens Pakistan Engineering Company Ltd. for establishment of 132kV GIS Grid Station at AKHMCF premises jointly shared by KESC and AKHMCF.



The value of Contracts are PKR equivalent 687 million. In addition, this will enhance KESC's installed Capacity from 4573 MVA to 4653 MVA with the addition of 3 Power Transformers. It will also cater to the future needs of the Uni-

versity and Hospital, where demand is expected to grow up to 16 megawatts by 2022. Furthermore, it will also relieve the overloaded grids of Civic Centre, Baloch Colony and Gulshan-e-Iqbal and also partially meet the requirement of future load growth in PECHS, Bahadurabad, KDA Scheme-I and adjoining areas.

This is also a benchmark confirming KESC's commitment to providing uninterrupted, stable and reliable power supply to all consumer segments.

KESC DISTRIBUTES SOLAR STUDY LAMPS AMONG HIGH PERFORMING TCD STUDENTS

KESC, under its Social Investment Program, distributed solar-charged Study Lamps among high performing students of The Citizens Foundation School. The lamps were given to around



90 top students of TCF School Qayyumabad. In his speech, KESC CEO Tabish Gauhar said that this was the first phase of the project, under which the power utility would be providing solar lamps to

all secondary level high academic achievers at eight campuses. KESC has already been providing free-of-cost electricity to all purpose-built schools run by TCF with an approximate enrollment of 52,000 students in Karachi, mostly coming from low income families. Mr. Mushtaq Chhapra, Chairman, TCF, thanked KESC and termed the gift of lamps as "a blessing for students." The solar-charged lamps, with a battery life of 6 hours, would allow students an alternative source of emission free light for studying. KESC's objective is to provide extended study hours to students, giving them an opportunity to enhance their academic performance .

KESC TO SUPPLY ADDITIONAL 4 MW TO EPZA

KESC has signed an agreement with the Export Processing Zone Authority (EPZA) to supply an additional 4 MW of power to the Authority to ensure sustained growth of economy and industrial sector in the city. The Authority would distribute the additional electricity to industrial units established in the Zone.

On behalf of KESC, Nayyer Hussain, Chief Distribution Officer, signed the agreement, whereas Mr. Riaz Ahmed Shaikh, Secretary EPZA represented the Authority. While sharing the salient features of investments made, Hussain stated that after extensive investment in the Power Generation side to the tune of USD one billion, KESC would continue to maintain its focus towards its distribution network entailing new 11KV feeders, Ariel Bundle Conductors (ABC) and High Voltage Distribution System (HVDS) projects in high loss areas, SAP-ISU roll-out in 9 IBCs, Pilot project of Smart-Grid and improved customer services.

KESC STRESSES USE OF EFFICIENT ENERGY MEANS FOR ILLUMINATION

KESC, in order to support a befitting celebration of the birth anniversary of the Holy Prophet Muhammad (Peace Be Upon



Him), presented a special package of low price electricity units for illumination on the auspicious occasion of Jashn-e-Eid-e-Milad-un-Nabi on 12th of Rabi-ul-

Awwal. Through massive communication, including public announcements in the mosques across the city and via direct contact by local offices, KESC asked the general public to refrain from illegal use of electricity and instead utilize the special package of Rs. 5 per unit for illumination.



KESC Limited

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Follow

10,829 TWEETS

1,742 FOLLOWING

3,930 FOLLOWERS

Amir Marfani @amirmarfani: Thanks for prompt action. Great service.

Muzzamil Hussain @1sudo: Hate to admit it but I experience a quality customer service by KESC. Thanks for resolving the issues within given time.

Muzammil Shaikh @MuzamilShaikh96: Thank you so much. You guys are the best. We got our complain fixed in 30 minutes. Karachi Loves you #Respect.

M. Hasan @ihasantweet: appreciate your efforts on social media. a round of applause for KESC.

akchishti @akchishti: Oh, it works - thanks for being so customer centric and a great service to people of Karachi - my reagrds to Tabish!

Muhammed Zafir Zia @zafirzia: This twitter handler for KESC must be commended for his instant responses.

Bilal Aslam @Bilal01: Hats off to you guys...I complained for 3 different problems in last few days. Every time U responded very promptly within minutes.

FT @fahdtahir: Never thought kesc would be pro active and organized and actually get work done how its supposed to be. Thanku KESC for all your help.

Asad Abbasi @AsadAbbasipk: KESC is every where to help Pakistani's, in Flood, in earthquake, in Social investment(SIP), making Karachi again city of lights.