

ACCORD WITH SINDH ENGRO



The Karachi Electric Supply Company has signed a Memorandum of Understanding with Sindh Engro Coal Mining Company (SECMC) to jointly pursue a generation project of up to 600 megawatts as a mark of cooperation between the two companies for development of one of the largest coal reserves around the world, namely Thar.

SECMC, a joint venture company between Engro Powergen Limited (EPL) and the Government of Sindh, would develop a 600 MWs Mine Mouth Power Plant at Thar Block II while KESC would offtake power from this plant to meet the rising power demand in its coverage zone in Karachi city and adjoining areas in the interior of Sindh and Balochistan.

The memorandum was signed by Nayyer Hussain, CEO of KESC, and Shamsuddin A. Sheikh, CEO, SECMC.

On this occasion, Nayyer Hussain said that the MoU is of strategic importance for the country as well as for both the companies. "We are keen to work together to realize the potential of Thar coal reserves which could be the major indigenous fossil fuel resource for Pakistan's present and future energy needs. We are confident that together we would do the ground breaking work in coal exploration and coal-fired power generation in Thar region, paving the way for other developers to embark upon major infrastructure development projects."

AGREEMENT WITH SIEMENS TO END LEGAL DISPUTES

KESC has signed an Agreement with Siemens Pakistan to withdraw all outstanding claims and suits pending before the Sindh High Court between the two companies. Both KESC and Siemens are prominent players in the energy generation, transmission and



distribution as well as conservation fields. The agreement was signed at the KESC head office in Karachi by Nayyer Hussain, CEO, KESC and Guenter Zwickl, CEO, Siemens Pakistan.

The agreement reflects a business minded approach on both sides to put the past behind and work together in a mutually beneficial and collaborative manner.

KESC EARNS INTERNATIONAL CSR EXCELLENCE AWARD

The Company has received the Corporate Social Responsibility Business Excellence Award for best community services during 2012 at an international CSR summit organized by the National Forum for Environment & Health (NFEH) in collaboration with United Nations' Environmental Program (UNEP).



The award marks the recognition of KESC's belief in paying back to the community at large, especially in the areas of health and youth development. More than 100 national and international corporate companies and organizations had submitted their nominations, out of which 45 companies were shortlisted by the jury. KESC was one of the finalists selected through a judges panel for being the best in community service.

This is the third consecutive award that KESC has earned. KESC has also received two CSR Excellence Awards at the national level from the CSR Association of Pakistan under the categories of 'Best CSR Innovation' and 'Best Sustainability Reporting'.

ACCORD WITH PHILIPS TO PROMOTE ENERGY EFFICIENT LIFESTYLE



In line with its Climate Change Policy, KESC has signed a Memorandum of Understanding with Philips Pakistan aimed at formulating a joint strategic plan for promoting energy conservation and efficiency.

Nayyer Hussain, CEO, KESC, and Asad S. Jafar, Chairman and CEO, Philips, signed the memorandum. In a message, Nayyer Hussain said, "The collaboration with Philips is one of our several efforts aimed at contributing towards sustainable development and creating an energy-efficient lifestyle. We are confident that our continued hard work towards Climate Change would ultimately make a positive difference."

"We believe that this collaboration with KESC will further strengthen our efforts towards creating a sustainable environment and raising awareness regarding energy efficiency," said Asad S. Jafar.

Both KESC and Philips also agreed to work in collaboration on various mutually agreeable business strategies to promote energy efficient lifestyles including joint marketing campaigns, product offering endorsements and promotional offers.

STRATEGIC ALLIANCE WITH TCF TO BUILD SCHOOLS

As part of its Social Investment Program (SIP), KESC has entered a strategic alliance with The Citizens Foundation (TCF) under which the utility will make available plots of land for construction of non-profit primary and secondary schools in the neglected areas of the City.

Under the alliance, KESC would be providing any available empty space adjacent to its facilities to the TCF for construction of the schools. KESC has already lent the first plot of land in Gulshan-e-Hadeed where TCF will construct a school and have it ready for admissions by 2014. The school would cater to around 1,200 children on no-profit basis.



FREE ELECTRICITY FOR 'KARWAN-E-HAYAT'

KESC has signed a Memorandum of Understanding under its Social Investment Program with, 'Karwan-e-Hayat,' a welfare NGO in the mental healthcare sector, to provide FREE electricity to its three facilities in Keamari, Korangi and Khayaban-e-Jami. During the past year, the "KeH" provided free consultation to 21,300 patients, 9373 daycare patients and 943 in-patients.

The Memorandum was signed by Mr. Nayyer Hussain, CEO, KESC and Mr. Saleemuddin Ahmed, Vice Chairman and Chief Executive of KeH.



KESC's Social Investment Program (SIP) is aimed at extending support to various vital healthcare and educational institutions serving the under-privileged and needy on purely humanitarian grounds. KESC pays electricity bills of these welfare entities in part or in full to subsidize their energy cost in recognition of the noble causes these institutions are pursuing.

EFFORTS TO GET HYDROPOWER FOR KARACHI

Pursuant to its recently issued climate change policy to add renewable energy share into the mix, Karachi Electric Supply Company has started discussions with the Laraib Group, leaders of private hydropower projects in



Pakistan and Azad Kashmir, with a view to procuring power from 640 MW Azad Pattan Project and 250-300 MW from Ashkot Hydropower Project currently under feasibility preparation. Syed Naveed Ahmed, Chief Business Development Officer, KESC, and Khalid Faizi, Chief Executive Officer of the Power Project Companies, have signed an MOU in this regard.

KESC recently formulated a comprehensive Climate Change policy with a vision to adopt balanced and responsible methods that reduce carbon emissions and ensure social and environmental gains. KESC's holistic approach aims at expanding its current generation portfolio by a significant portion through renewable energy and various energy efficient initiatives over the next five years to mitigate climate change and reduce our carbon footprint.

BRITISH HIGH COMMISSIONER VISITS KESC

Karachi Electric Supply Company has welcomed the keen interest shown by British High Commissioner Mr. Adam Thomson and Deputy High Commissioner Mr. John A. Tucknott towards playing their role in the socio-economic development of Pakistan through meaningful support in education and energy sectors.

The British diplomats visited the head office of KESC where company's CEO Mr. Nayyer Hussain, along with members of the leadership team, shared KESC's transformation story and briefed them on how the present management has been able to put KESC back on a sustainable track and how this transformation is helping the socio-economic development of Karachi, the economic hub of Pakistan.



The British High Commissioner showed great interest in KESC's turnaround story and appreciated the progress that KESC has made so far. He was of the opinion that the entire power sector can learn from this example and follow the best practices championed by KESC.

MOU WITH NED UNIVERSITY

In line with its Climate Change Policy, KESC has signed an MoU with NED University Karachi for a strategic partnership leading to energy conservation and efficiency.



Both organizations have also agreed to collaborate on various mutual business strategies in promoting end to end Energy Efficient solutions for all walks of life.

KESC is also providing advisory services through power factor improvement projects and free energy audits for industrial and large commercial consumers. In line with the CEO's Energy Conservation guidelines for encouraging the usage of energy star appliances via its employees and valued customers, the utility is targeting and creating awareness amongst the youth and women for a greener and healthier environment.

ANOTHER STEP TOWARDS EXCELLENCE

To commend and encourage workers for the zeal and commitment they exhibited to polish their skills, a Semi Skilled Lineman Ceremony was held at the AZM Learning Institute on May 3, 2013. The day marked the promotion of another 42 'karkuns' (workers) to the status of Semi-Skilled Linemen based on their performance and evaluation in a training period of 40-days.



The Chief Guests at the Ceremony included Mr. Tabish Gauhar, Chairman KESC, Mr. Nayyer Hussain, CEO and Mr. Asir Manzoor, Chief Human Resource Officer. All senior team members appreciated the workers for having excelled in their pursuit of learning, and encouraged Team L&OD to keep the momentum of progress building steadily.

BLOOD DONATION CAMP – 2013

The sustainability of any small or large corporate organization depends on its association with the community it operates in. For the past several years, KESC employees too have been involved in a number of social service activities, whether it concerns education of children at TCF Schools or participation in the Injaaz program.

A blood donation camp was organized to create a noteworthy example and to speed up the company's 100 years festivities. All KESC employees participated enthusiastically in this to wholeheartedly contribute to the noble purpose of giving something to the community.



ENERGY LEADERS AWARD 2013

KESC has received the prestigious Energy Leaders Award 2013 for best practices in Energy Conservation, energy efficiency and implementation of efficient practices during 2012 at a national Energy Leader's summit organized by the National Forum for Environment & Health (NFEH) in collaboration with Government of Sindh. The award marks the recognition of KESC's belief in showing its commitment to the community at large, especially in times when the country is facing an unprecedented energy crisis.



This is the first time in four years when KESC has earned an award for its Energy Conservation initiatives.

FESTIVALS CREATE MASS AWARENESS FOR ENERGY EFFICIENT LIFESTYLE

The KESC Energy Conservation Department specifically aims to educate, enlighten and work towards changing lifestyles of consumers, providing them with optimum solutions for a greener and healthier environment.

MEMON EXPO

A three-day family exhibition was organized from the 5th to 7th of April 2013 by the All Pakistan Memon Federation at the Expo Center. The main goal behind the activity conducted by Energy Conservation department, was to create mass awareness among the consumers for adopting energy efficient lifestyle.



MASALA FAMILY FESTIVAL

The two-day event was organized by the Hum TV Network. The energy conservation team managed to address approximately 100,000 consumers, who were keen to learn and participate in the activities of the department, educating them on how they can curtail their electricity usage and minimize wastage of energy in their homes in order to pursue an energy-efficient lifestyle.



TURNING ON THE LIGHTS IN PAKISTAN



The New York Times

INSIDE ASIA

By KATHARINE HOURELD | REUTERS

Published: July 1, 2013

Since Pakistan's biggest electricity company was privatized, its headquarter has been looted, its employees kidnapped and its boss nearly arrested by the government. Despite all of that, it is regarded as a roaring success.

Power cuts lasting 12 hours a day or more have devastated the Pakistani economy. The loss of millions of jobs has fueled unrest in a nuclear-armed nation already beset by a Taliban insurgency.

The only city bucking the trend is the violent metropolis of Karachi, Pakistan's financial heart — and that is thanks to Tabish Gauhar and his team at the Karachi Electricity Supply Co. "It has consumed every ounce of my energy," Mr. Gauhar, 42, said in an interview. "But we have helped millions of people." The new government of Prime Minister Nawaz Sharif won an election in May partly because it had promised to fix the power cuts. Now many are wondering whether the Karachi utility's successful privatization will be repeated elsewhere. Pakistan's power companies share similar problems. Workers are often corrupt, and influential families rarely pay bills. The government sells power below the cost of production but pays subsidies late or not at all. Plants cannot afford fuel.

At the state-run Peshawar Electricity Supply Co., the majority of workers are illiterate, most new hires are relatives of existing staff members, and 37 percent of the power generated was stolen, according to a 2011 audit funded by the U.S. Agency for International Development.



Tabish Gauhar
Chairman, Board of Director



Nayyer Hussain
Chief executive Officer

Karachi Electricity Supply had all the same problems when the Dubai-based private equity firm Abraaj Capital bought a controlling stake in 2008. Mr. Gauhar and his Abraaj team decided to slash the work force by a third, cut off nonpayers and destroy illegal connections. The moves started a small war.

Employees who had been laid off offered to work for free because they had made such fat kickbacks. When management refused, thousands of protesters ransacked the company's headquarters. They camped outside for months.

Gunmen attacked Mr. Gauhar's house. Workers crossed picket lines every day, hunkered down on the floors of police cars. More than 200 employees of the utility were injured.

"We felt very lonely then," said Mr. Gauhar, who moved from chief executive to chairman of Karachi Electricity Supply earlier this year. "When I used to visit one of our injured employees in the hospital, it was hard for me to look them in the eye."

Many in the populist pro-labor government vilified the power company. Later, legislators tried to arrest Mr. Gauhar on charges that he had not attended subcommittee meetings in the capital.

After the protests dissipated, Karachi Electricity Supply's next problem was making customers pay. More than a third of the company's electricity was stolen in 2009. Those who got bills often ignored them.

One wealthy patriarch said he could not possibly start paying because his colleagues would think he had no influence left.

Karachi Electricity Supply started cutting off those who did not pay their bills. When a transformer burned out in an area with high theft, the company asked for two months' worth of payment from the area's residents before replacing it.

The company divided up the city of 18 million. Areas where 80 percent of people pay bills now have no regular power cuts. Areas with high loss — often crime-ridden, sweltering slums — have long power cuts. Karachi Electricity Supply is widely hated in such places.

Muhammed Fayyaz, who works as a driver, says his neighborhood often has as much as 10 hours of cuts per day. Summer temperatures top 40 degrees Celsius (104 Fahrenheit), and protests are frequent.



“People block the main road and throw stones at passing vehicles,” he said.

Mr. Fayyaz lives in a high-theft area. Stealing power is easy. Makeshift wires with metal hooks festoon Karachi Electricity Supply's lines in the sun-baked streets. Some lead to roadside businesses. Others head into the distance atop lines of makeshift bamboo poles.

“We clean them up, but in five minutes they are back again,” said Muhammad Siddiq, a manager at the utility.

Local gangs control the illegal lines. Power company workers who remove them are often attacked. Ten were taken hostage in a single occurrence last month. A mob attacked Mr. Siddiq's office.

Some slums are held by the Taliban or gangs, and Karachi Electricity Supply workers cannot even enter. They are experimenting with licensing powerful local businessmen to collect bills and cut off nonpayers.

But the painful changes have begun paying dividends. Last year, the company made its first profit in 17 years. Theft has fallen 9 percent in four years. Half of the city, including two industrial zones, does not have daily power cuts.

“It has made a big difference to my business,” said S.M. Muneer, whose leather and textile factories employ thousands. “I cannot run a textile factory on a battery from my car.”

Not everyone is happy. Shortages of natural gas and maintenance problems still cause long power cuts. Customers who do pay bills

suffer if their neighbors do not. Many cannot afford the bills.



To improve customer relations, the Karachi utility gives free power to hundreds of charity schools and provides uninterrupted or subsidized power to 18 big public hospitals. It has also built new call

centers, connections and power plants.

The gleaming Chinese-built natural gas plant at the Bin Qasim Port in Karachi can generate 560 megawatts. But Pakistan rarely has enough natural gas for the plant to work at full capacity.

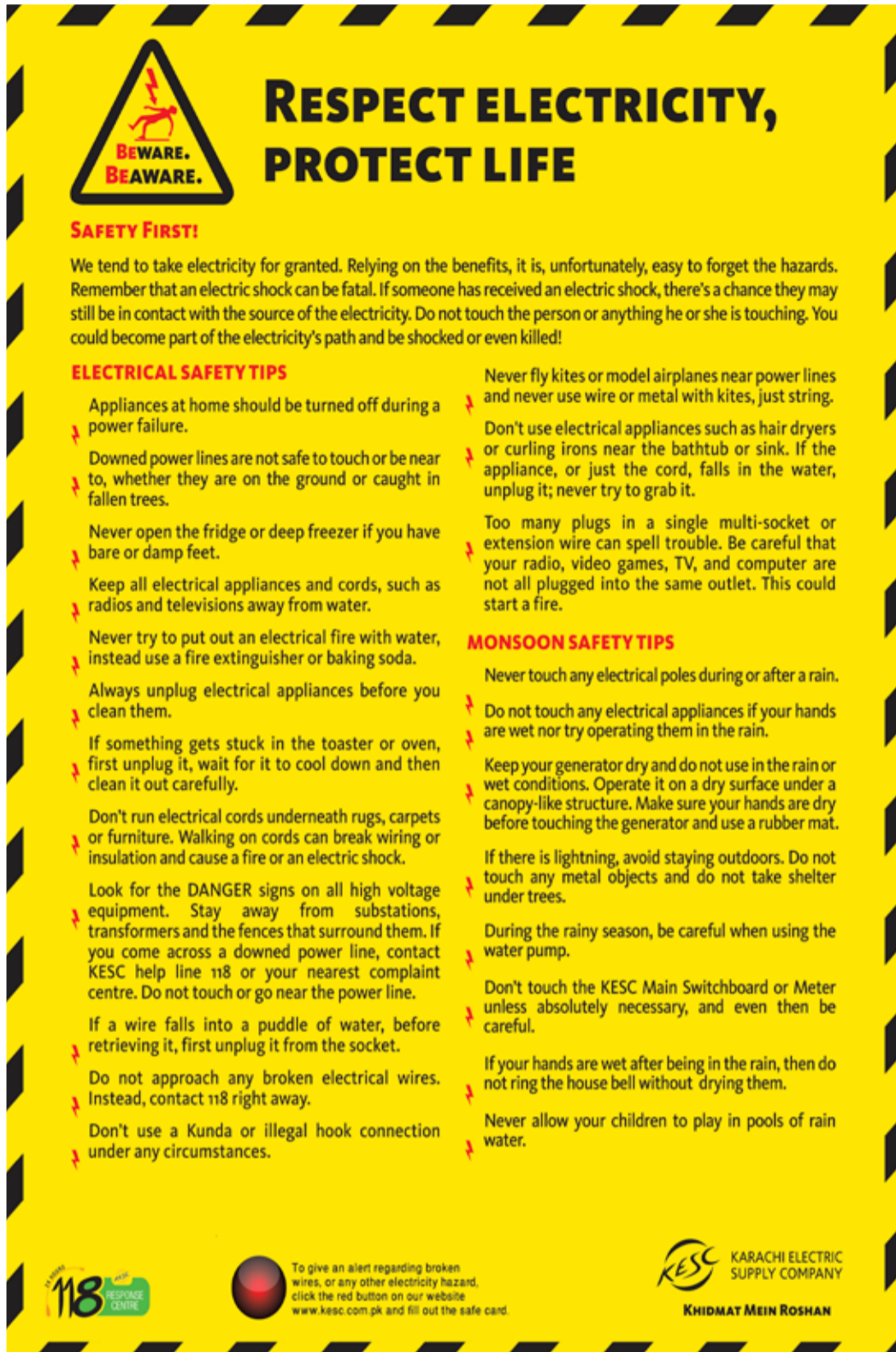
Karachi Electricity Supply blames that on nationwide gas shortages, but Sui Southern Gas Co., of which the government owns 70 percent, says that the Karachi power company owes it \$500 million.

Karachi Electricity Supply disputes the assertion that the figure is that high and says it is offsetting the payment against outstanding bills from government entities that total \$720 million.

“We've still got problems,” said Syed Nayyer Hussain, the Karachi company's new chief executive. “But at least we've started.”

http://www.nytimes.com/2013/07/02/business/global/turning-on-the-lights-in-pakistan.html?pagewanted=1&_r=0





RESPECT ELECTRICITY, PROTECT LIFE

BEWARE. BEWARE.

SAFETY FIRST!

We tend to take electricity for granted. Relying on the benefits, it is, unfortunately, easy to forget the hazards. Remember that an electric shock can be fatal. If someone has received an electric shock, there's a chance they may still be in contact with the source of the electricity. Do not touch the person or anything he or she is touching. You could become part of the electricity's path and be shocked or even killed!

ELECTRICAL SAFETY TIPS

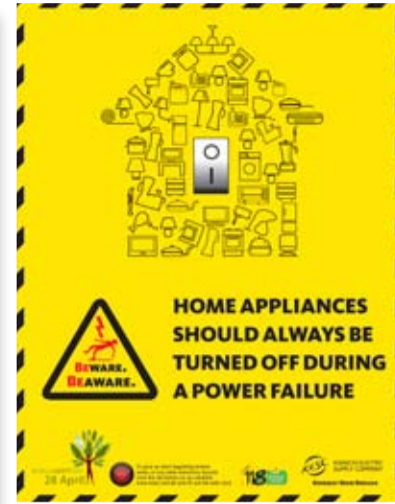
- Appliances at home should be turned off during a power failure.
- Downed power lines are not safe to touch or be near to, whether they are on the ground or caught in fallen trees.
- Never open the fridge or deep freezer if you have bare or damp feet.
- Keep all electrical appliances and cords, such as radios and televisions away from water.
- Never try to put out an electrical fire with water, instead use a fire extinguisher or baking soda.
- Always unplug electrical appliances before you clean them.
- If something gets stuck in the toaster or oven, first unplug it, wait for it to cool down and then clean it out carefully.
- Don't run electrical cords underneath rugs, carpets or furniture. Walking on cords can break wiring or insulation and cause a fire or an electric shock.
- Look for the DANGER signs on all high voltage equipment. Stay away from substations, transformers and the fences that surround them. If you come across a downed power line, contact KESC help line 118 or your nearest complaint centre. Do not touch or go near the power line.
- If a wire falls into a puddle of water, before retrieving it, first unplug it from the socket.
- Do not approach any broken electrical wires. Instead, contact 118 right away.
- Don't use a Kunda or illegal hook connection under any circumstances.

MONSOON SAFETY TIPS

- Never fly kites or model airplanes near power lines and never use wire or metal with kites, just string.
- Don't use electrical appliances such as hair dryers or curling irons near the bathtub or sink. If the appliance, or just the cord, falls in the water, unplug it; never try to grab it.
- Too many plugs in a single multi-socket or extension wire can spell trouble. Be careful that your radio, video games, TV, and computer are not all plugged into the same outlet. This could start a fire.
- Never touch any electrical poles during or after a rain.
- Do not touch any electrical appliances if your hands are wet nor try operating them in the rain.
- Keep your generator dry and do not use in the rain or wet conditions. Operate it on a dry surface under a canopy-like structure. Make sure your hands are dry before touching the generator and use a rubber mat.
- If there is lightning, avoid staying outdoors. Do not touch any metal objects and do not take shelter under trees.
- During the rainy season, be careful when using the water pump.
- Don't touch the KESC Main Switchboard or Meter unless absolutely necessary, and even then be careful.
- If your hands are wet after being in the rain, then do not ring the house bell without drying them.
- Never allow your children to play in pools of rain water.

To give an alert regarding broken wires, or any other electricity hazard, click the red button on our website www.kesc.com.pk and fill out the safe card.

KESC KARACHI ELECTRIC SUPPLY COMPANY
KHIDMAT MEIN ROSHAN



BEWARE. BEWARE.

HOME APPLIANCES SHOULD ALWAYS BE TURNED OFF DURING A POWER FAILURE



BEWARE. BEWARE.

DON'T TOUCH HOME APPLIANCES WHEN YOU HAVE BARE FEET OR WET HANDS



BEWARE. BEWARE.

KEEP YOUR VALUABLES AWAY FROM POWER SOCKETS



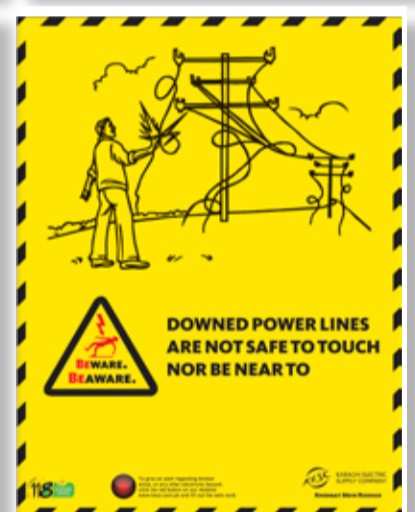
BEWARE. BEWARE.

HAVING FUN IN THE RAIN IS BETTER WITH CAUTION



BEWARE. BEWARE.

DON'T RING THE DOOR BELL WITH WET HANDS



BEWARE. BEWARE.

DOWNED POWER LINES ARE NOT SAFE TO TOUCH NOR BE NEAR TO



KESC CUSTOMER SERVICE, NOW JUST A TEXT AWAY

KESC proudly introduces its short code **SMS** Service for its valued customers. The first power utility in Pakistan to launch a service, which gives you **instant answers** to all your power-related queries at your **convenience**.

Simply type in **REG [space] Your 13-digit Account Number** and send it to **8119** and get registered for the service today, which gives you convenient access to:

- Billing Queries
- Complaint
- Report Downed power line
- Power Outage Notifications
- Report Power Theft
- New Connection
- Shutdown Notice

A nonprofit initiative by KESC - SMS cost Rs.2

www.kesc.com.pk | facebook.com/PoweringKarachi | twitter.com/kesc_ltd

100 KESC روشن کنی کا سفر SINCE 1913 Lighting the Way