



LIGHTING THE WAY OVER A CENTURY

It was September 1913 when KESC started its journey under the stewardship of M.B. Frank and thus started a never-ending success story, in the city of Karachi. Through this journey, the company met many ups and downs but it continued to expand and, after achieving various milestones, entered the 21st century. During the 1990s, the company's performance suffered due to mis-management and poor governance until the time when it was privatized in 2005. However, despite becoming a private entity, no significant change was visible in the performance of KESC as the system had become totally dilapidated and obsolete.

Finally, Abraaj Capital stepped in to stem the rot with the aim to rebuild and turn around the company into a success story. It embarked on this new journey in 2008 under the leadership of Tabish Gauhar and now, Nayyer Hussain is leading the company towards even greater heights. The new management has strengthened KESC internally and externally and has introduced reforms that have silenced its critics and detractors. The citizens of Karachi now feel the change and have expressed their satisfaction as they are benefitting from the improvements brought about by the present management. The company is certainly set to regain its lost glory very soon. By the grace of Allah the KESC journey will successfully complete its first hundred years in September 2013. We cannot thank Allah enough for His blessings. Completing a century of existence is no small matter for any entity. We must be proud that we belong to an organization that has served the city over several generations to make it the 'city of lights.'

During this century, the city produced innumerable statesmen, scientists, artistes, singers, industrialists, technocrats, journalists and other professionals and all of them benefited from KESC's energy. In its life so far, whatever progress that has taken place in Karachi, KESC has played a major role. For Karachi, KESC is like the sun that gives energy to the sustainability of life on earth. The company plans to hold several grand events to mark its centenary. It will organize Naat competitions, arts and entertainment events, cultural shows and sporting events. A grand finale will involve all KESC employees and their families in celebrating the centenary.

The centenary celebrations are for all of us to participate in – that is, the people of Karachi, including past and present employees of this company because they have taken it to its present heights through their dedication and hard work. To mark the occasion, the company intends to present memorable gifts to the city of Karachi and its stakeholders. In this regard, those who excelled in their respective fields and gave a prominent name to Karachi will be honoured and presented as heroes of the city. Moreover, the historic heritage of the city will be preserved and presented in a different manner to the city. We shall continue to update you on our programs and plans from time to time and expect that you will also participate whole-heartedly in our efforts. The way we plan to celebrate this centenary will be a historic event. We hope the circumstances remain conducive for holding such events. May Allah be with us in our endeavours.

TABISH GAUHAR APPOINTED AS CHAIRMAN BOD AND NAYYER HUSSAIN AS CEO



Tabish Gauhar has been named as Chairman of the KESC Board of Directors, with effect from February 12, 2013, while Nayer Hussain would be the new CEO.

The move ensures continuation of company's sharp focus and fast-paced development in major strategic undertakings as well as continuous operational improvements across core functions.

KESC is today Pakistan's second largest private entity in terms of revenue, achieving Rs. 163 Billion in fiscal year 2011-12 and the third largest company with a total assets base of Rs. 273 Billion.

KESC WINS TWO CSR AWARDS

The Karachi Electric Supply Company has been awarded the 'Corporate Social Responsibility Excellence Award 2012' in two categories by the CSR Association of Pakistan. It won awards in the 'Best CSR Innovation' and the 'Best Sustainability Reporting' categories.

The Innovation Award recognized KESC for its on-going commitment to sustainable social and environmental investment in the community, especially in the areas of health and youth development. KESC's first Sustainability Report, in compliance with GRI's Reporting Standards, was recognized as the Best Report for its comprehensiveness and level of compliance.



The two awards demonstrate KESC's spirit of leadership, sincerity and on-going commitment towards incorporating ethical values, compliance with legal requirements, respect for individuals, involvement in communities and protection of the environment through the way it conducts business.

On being awarded the two CSR Excellence Awards, KESC Chief Engagement Officer, Ghufan Atta Khan said; 'KESC has always believed in paying back to the community at large. As such, sustainability for any corporate entity, big or small, lies in engaging with the society it operates in.'



KESC'S UNIQUE TRANSFORMATION & VALUE CREATION MODEL LAUDED AT HARVARD UNIVERSITY

KESC's Chairman, Mr. Tabish Gauhar, recently addressed two classes at the Harvard Business School and presented KESC's turnaround story that revolves around a unique value creation model that ensures environmental, social and governance (ESG) gains as means to sustainable economic and financial value creation. Harvard Business School and Harvard Kennedy School recently did a joint Case Study on KESC's turnaround strategy to holistically capture the unique public-private partnership model that was aimed at transforming the ailing power utility with a long



public sector legacy. The Case Study was taught at the Harvard Business School and at several other business schools around the world, as a unique example of how private sector investors can endeavor to make such a meaningful impact on sustainable development in emerging markets.

Addressing a diverse 150+ student community present there, Tabish Gauhar explained how at KESC sustainability goals work in harmony with operational and financial goals of the organizations. "We firmly believe that KESC's own turnaround and sustainability is fundamentally linked to the economic, social and environmental gains for a diverse set of our stakeholders. We have, therefore, adopted an all inclusive value creation approach that goes beyond a one-dimensional shareholder value creation".

Tabish Gauhar also informed the audience that under KESC's Stakeholder Engagement and Enrichment Drives for Sustainability (SEEDS), a holistic value creation approach, we fully recognize the impact of our performance in sustainable development across our stakeholders' universe, essentially driving four distinct programs—ESG Initiatives, Social Investments, Stakeholder Engagement and Thought Leadership. KESC is one of the handful of companies in the emerging markets whose Integrated Sustainability Report was recently assigned a Level 'A' Rating by the international Global Reporting Initiative (GRI). KESC is also one of the few companies in the region to have recently issued a comprehensive 5-year Climate Change Policy on the four key and inter-related themes of Energy Conservation, Energy Efficiency, Renewable Energy, and Environment.

3RD ANNUAL SAFETY LEADERS AWARDS

KESC held its 3rd "Annual Safety Leaders" awards that recognize services of the employees and departments for their sustained track record in Safety and Performance. The awards were given in various segments to SITE Gas Turbine Power Station (SGTPS) Generation



team, Region IV Distribution network, Transmission Department at G&T business unit, PID at Core Department and Inventory Management team at Support

Departments. Recipients were declared 'Safety Leaders – 2012' in their respective categories.

The CEO also announced a new award category – the "Fire Safety Award," which will be a benchmark for all KESC installations/locations and will be given to those who excel in cleanliness and fire safety practices.

AGREEMENT WITH TEXTILE CITY

KESC and the Pakistan Textile City have signed an agreement for supply of 50MWs of uninterrupted electricity. Under the agreement, signed by KESC CEO Nayyer Hussain and Dr. Mirza Ikhtiar Baig, Chairman Pakistan Textile City, in the first phase, KESC will supply 50MWs of uninterrupted power supply from their Bin Qasim Grid



Station to the Pakistan Textile City and its allied industries located at Port Qasim. In the second and

third phases, KESC will increase supply volume to 250MW as per requirements of the Textile City.

Speaking at the signing ceremony, Nayyer Hussain said that KESC has always been aware of its role in supporting industrial and commercial activity in Karachi. Under its current management, KESC has successfully provided uninterrupted power supply to all major industrial zones of the city.

Dr. Ikhtiar Baig said that uninterrupted power supply was the main demand of investors and, in view of the gas shortage in the country, they will now employ uninterrupted power supply from KESC with more confidence.

ABBAS TOWN BILLS PAYMENT EXEMPTED FOR 6 MONTHS

To stand by the victims of the Abbas Town tragedy, KESC has exempted affected families of electricity bills and outstanding arrears for the next six months.



The utility has taken this decision on compassionate grounds following the tragic blasts at Iqra City and Rabia Flower Apartments in Abbas Town last February. KESC said it would seek assistance and coordination of civic and voluntary agencies to prepare lists of affected families.

All outstanding arrears and six months' electricity bills of the affected families would be paid by KESC as a gesture of support. KESC has provided the relief under its Corporate Social Responsibility initiative.

The power utility had also waived outstanding arrears and six months electricity bills of affected families of the Baldia Factory fire tragedy last September.

REPLACEMENT OF 3 PMTs

KESC teams worked through the night following the tragedy in Abbas Town and restored power supply to the area after replacing three damaged PMTs and other power distribution equipment.

The restoration work commenced minutes after the blasts occurred while back-up lighting was immediately arranged for the affected area through KESC's own standby generators. There were delays in the operation when KESC's underground and overhead restoration work had to be put on hold as security clearance had to be obtained from the law enforcement agencies. KESC personnel working at the site also had to make way for cranes and shovels that were busy in removing debris from the blast site.



‘BUSINESS GAMES’ ORGANIZED WITH ICAEW

In order to develop the business acumen of its employees, KESC organized a half-day workshop titled, ‘Business Games’ in collaboration with the ICAEW recently which was facilitated by Justin West, Head of New Business Opportunities at the ICAEW. Nearly 30 employees from Finance, Distribution, Internal Audit and IT participated in the workshop.

The workshop encompassed a business case which stimulated the financial, managerial and business knowledge of the participants. Each team held the reins of the same company which needed 4



crucial decisions to be made in context of the given internal and external information. The participants were required to leverage their expertise and the available information to choose viable business decisions and calculate the corresponding impacts of their decisions. A panel of judges evaluated the teams and conducted a thorough Q&A to assess their performances.

Justin West was especially enthusiastic about the level of engagement and participation displayed by all the teams as there was negligible difference between the winning team and the runners-up.

All the teams received Certificates of Participation, with the winning team receiving a special award from Justin West.

LYARI GENERAL HOSPITAL EXEMPTED FROM LOAD SHEDDING

KESC has dedicated an exclusive feeder to the Lyari General Hospital and has exempted it from load shedding under its Corporate Social Responsibility Program.

In pursuance of its policy to facilitate hospitals in the City, KESC has already exempted sixteen other hospitals from load-shedding and has ensured continuous supply to them under its Social Empowerment Program. Lyari General Hospital was previously receiving power supply from a common feeder and, being located in a high-loss area, it was facing normal load shedding. However, KESC made special arrangements to separate the hospital’s power supply from its adjoining areas in order to facilitate patients.

CONTRACT WITH GE FOR MAINTENANCE OF BQPS-II GAS TURBINES

KESC has signed a long-term service agreement with General Electric International Inc. for maintenance of gas turbines at its newly commissioned prime project, the 560-MW Bin Qasim Power Station-II.

The Company had purchased the gas turbines from GE France and has now entered the service agreement to ensure performance of the plant at optimum level. The agreement is based on a service term of five years and covers all planned and unplanned maintenance needs, online monitoring, technical support, spares availability and operation and maintenance training.



TCF STUDENTS BRIEFED ON SAFETY MEASURES

KESC briefed students of The Citizen’s Foundation (TCF) Ittehad Town Campus on safety measures at its SITE Gas Turbine Power Station (SGTPS). The event comprised a tour and tutorial on power generation, with special emphasis on human safety.



Fifty TCF students, along with six volunteers, were given a tour of the plant, showcasing various technical aspects of the generation facilities. The group was informed of the power generation process, starting from the basics

of turbine movement to the power generators being used at the SGTPS.

They were also shown the Command and Control Room where all supervision and safety checks are monitored. The students were also given a brief first-hand training and a demonstration on fire safety, highlighting potential hazards and causes and how to extinguish different types of fires.



KESC marked Earth Hour 2013 by formulating a comprehensive Climate Change Policy and reaffirming its commitment to a cleaner and greener environment. The Earth Hour is a worldwide event organized by World Wildlife Fund (WWF). The event this year fell on March 23.

KESC has been playing a proactive role for the past three years in observing the Earth Hour in collaboration with the Sindh Ministry of Environment & Alternative Energy and WWF. Through mass campaigns and distribution of informative material, KESC's

Energy Conservation Department encourages households and businesses to turn off their non-essential lights and appliances for one hour. KESC undertook the ex-



ercise this year too at all its offices, installations and plants. A KESC team also visited the Mazar-e-Quaid on the day to mark the global event.

To meaningfully observe the Earth Hour and to provide clean, reliable and affordable energy, KESC had drawn up a Climate Change vision. This is a balanced and responsible method that enables the power utility to carry out its core business operations with a view to reducing carbon emissions and ensuring social and environmental gains. KESC's holistic approach aims at expanding its current generation portfolio by 15 percent through renewable energy and various energy efficiency initiatives over the next five years. This will mitigate the effects of climate change and serve to reduce KESC's carbon footprint.

Under its Climate Change Policy, KESC would propagate and facilitate energy-efficient lifestyles through consultation and advisory services to carry out power factor improvement projects and provide a free energy audit. KESC would also upgrade its efforts to implement its programs aimed at encouraging the use of energy efficient appliances and adoption of efficient energy systems and building codes; awareness creation for adoption of an energy-efficient lifestyle, specially targeted towards the youth; cost-sharing in the conversion of main municipal streetlights and landmark monuments to LED and solar lights and an incentive program for commercial markets to adopt the Daylight Saving Program.

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<http://www.facebook.com/PoweringKarachi>



Wafa Ali: Your social media presence is quite commendable. Good job! :)

Ammar Ahmed Qureshi: I commend and appreciate how KESC has been performing for the last 2 years.

Yameen Haroon: Perhaps we people forgot the condition of the KESC before the privatization. This Entity has improved itself a lot. We appreciate the efforts that has put in by the current management.

Salman Siddiqui: this KESC is not the previous KESC its much much better

Syed Ahsan Ali: Privatization is not so bad after all

Salman Talpur: We appreciate this effort by KESC and hope to see KESC finally providing relief to all its customers with good service and management in providing electricity in near future.

Zohaib Arshad Abbasi: Great work KESC, Keep it up...

Abdul Rauf: The good efforts kesc on social media

Sunil Kumar: Nice to see KESC on Facebook ;D

twitter



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12,637 TWEETS

1,848 FOLLOWING

5,539 FOLLOWERS

Yousaf Malik @YousafMalik41: To all Karachi people who complain about KESC. Come to Lahore for a week & u will fall in love with KESC.

Asad Abbasi @AsadAbbasipk: We need Honest and dedicated Management in WAPDA like KESC.

Asad Kamran Shaikh @asadkshaikh: Happy to see KESC trying to build a better reputation.

MOoN @sayedah: Wow, Thanks for informing in advance!

Sawant Shah @sawant: Interesting. KESC on Twitter. KESC taking public relations to the next level.

Uroos Zafar Khan @Urooszk: Indeed is doing a good job here. Really appreciate it.

Tee Emm @tariqmustafa: Consumer brands like Engro can learn a trick or two from KESC when it comes to putting social media to real use.

Junnaid Asif @JunnaidAsif : Believe me or not they keep people updated & in case of prolonged outage they inform in advance.

norbalm @norbalm : Bravo for providing relief to the Abbas Town Residents.

Jkhan @jkfooty: Just saw the news that electricity has been restored in Abbas town brilliant, great job by KESC.



ATTENTION ALL KESC DEFAULTERS LAST CHANCE TO PAY OUTSTANDING DUES AND ARREARS

Law enforcement agencies have been tasked by the Government of Pakistan to initiate a crackdown against electricity bill defaulters across the country.

It is in the interest of all KESC defaulters to clear their outstanding dues and arrears by or before their April bill due date to avoid adverse action under law.

Electricity theft and non-payment of electricity bills is a legal offence that could lead to **3-years imprisonment** and/or a **financial penalty**.

Visit your nearest IBC or call 118 for any assistance regarding payment of your bill.

Contact us: **118** RESPONSE CENTRE
Report Power Theft: speakup@kesc.com.pk

www.kesc.com.pk

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