

## AZM PROGRAM 2012 TRANSFORMATION THROUGH 'ONE AZM'



**AZM – Year of Turnaround** Conference 2012 is the key initiative of 2012 and perhaps the largest cultural change management program ever undertaken by the corporate sector in Pakistan. The AZM kick-off workshop that was attended by around 200 senior management team members unanimously endorsed the renewed vision, mission and values of the organization. The team also endorsed four strategic focus areas and development related action plans aimed at the turnaround of KESC. Subsequently, AZM was rolled out covering over 8,200 non-management employees from across the organization. Comprising 34 full day sessions, this phase concluded in July 2012.

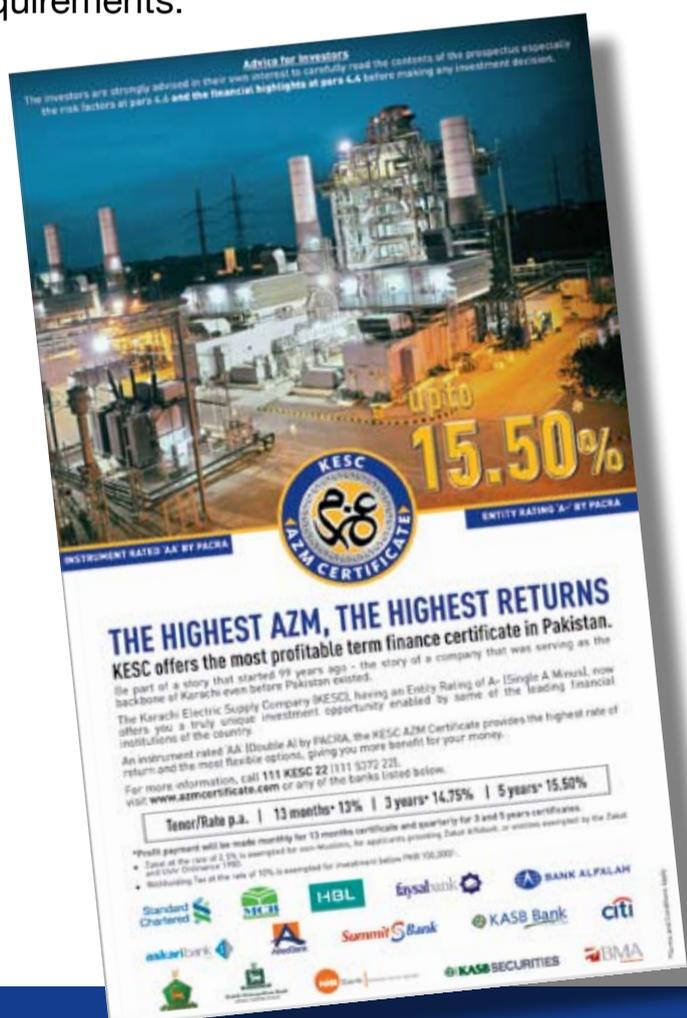
The key objective was to build strong communication links with employees, develop deeper employee insights, clear doubts and reinforce common direction and goal: We are One, Our AZM is ONE and together we will restore our city to its former glory as the “City of Lights”. From entry level karkun to junior officers, all strongly pledged

their renewed AZM and commitment to the newly unveiled vision and values of KESC. This powerful intervention has indeed marked the beginning of our journey towards a unified and value-driven corporate workforce. The AZM program will continue during 2012-13 and will pass through various stages of evolution. The core objective of the AZM intervention was to lay the foundation of a strong bond between management and employees and to transform the workforce into a cohesive unit based on a shared vision and a set of corporate values. The AZM platform was used effectively to challenge prevalent myths and misconceptions and to build an atmosphere of trust and openness. The program provided direction and alignment through clarity of goals and objectives, instrumental to organizational success. Participants also placed their thumb prints on the pledge board to further reinforce their commitment to KESC’s Azm. This strategic initiative will go a long way in creating a value driven culture that would greatly enhance KESC’s ability to deliver true value to all its stakeholders.

## AZM TERM FINANCE CERTIFICATE A SUCCESS STORY

The Karachi Electric Supply Company (KESC) successfully launched the public offering of Pakistan's first-ever utility sector retail bond issue. The KESC AZM Certificate issue is the most flexible TFC issue in the country, in maturities of 13 months (KESC AZM TFC 1), three years (KESC AZM TFC 2) and five years (KESC AZM TFC 3). KESC Azm Certificate, offers returns of up to 15.50%\* annually and enjoys a high Instrument rating of 'AA' (Double A) by PACRA, denotes very high credit quality. KESC has been awarded an Entity rating of 'A-' (Single A minus) by PACRA which denotes very high credit quality and a strong capacity for timely payments. The minimum investment amount was PKR 10,000/ to allow for broad-based participation. Coupon/profit rates per annum are 13 percent, payable monthly for the 13 month issue, 14.75 percent, payable quarterly for the 3 years issue and 15.50 percent, payable quarterly for the 5 years issue.

The history-making venture received an overwhelming response from investors, to the extent that the entire subscription was completed within the first six weeks of the three month period, which reflects the confidence reposed in KESC's certificates. The response from KESC AZM TFC investors was overwhelming, which was an assurance of their faith in the future of the Company. 'KESC AZM TFC' Investments received will be utilized for financing KESC's permanent working capital requirements.



## KESC INKS AGREEMENT TO SET UP COAL-BASED POWER PLANT



KESC signed a joint development agreement (JDA) with Sindh Coal Energy Limited (SCEL) and Oracle Coalfields PLC (Oracle) of the UK which is engaged in coal exploration, mining and production, for establishing a coal-based power plant to tap into the indigenous Thar coal reserves for power generation.



The JDA defines the respective responsibilities of each party and marks another key milestone for the KESC following the signing of an MOU with Oracle on 12th December 2009 for the Thar Coal Power Project - a venture that aims to develop a mine-mouth coal-powered

generation facility at Block VI Thar Coal Fields, having an initial capacity of 300 MW and potential capacity of 1,100MW.

The integrated arrangement, as stipulated by the JDA, will enable the KESC to secure a long-term fuel supply from SCEL at competitive prices while SCEL will own and operate the mine which will be integrated with the KESC mine-mouth power plant. SCEL and Oracle have completed the coal-mine feasibility study and are in the process of carrying out an environment and social impact assessment whereas the KESC is engaged in short-listing proposals received from leading international consulting firms for design of the power plant.

## KESC WINS NATIONAL ENVIRONMENT EXCELLENCE AWARD – 2012



KESC's vision and its implementation through contributions in the field of safety and environment-friendly policies and its pursuit for best practices, bore fruit once again when, for the fourth year running, KESC won the "9th National Environment Excellence Award 2012". The event was organized by the National Forum for Environment and Health (NFEH), affiliated with United Nations Environmental Program (UNEP) and supported jointly by the Ministry of Climate Change, Government of Pakistan.

The Award Ceremony was held on 12 July 2012, in Karachi and a total of 117 companies across the country participated.

## KESC VOLUNTEERS TO PROMOTE CULTURE OF ENTREPRENEURSHIP

INJAZ a member of 'Junior Achievement Worldwide,' the world's largest organization committed to inspiring and preparing young people to succeed in a global economy is in Pakistan now. INJAZ's goal is to reduce unemployment, and empower school leavers and college graduates by encouraging a culture of entrepreneurship and by assisting them in financial literacy skills. KESC is a part of the INJAZ Pakistan program, with an initial commitment of 500 hours to be spent by its volunteers. Three sessions have been conducted by 11 KESC volunteers at different schools. KESC CEO was the volunteer speaker in one of the sessions. INJAZ Pakistan is supported by local business enabling volunteers to help in schools.



## KESC LIGHTS UP MAZAR-E-QUAID WITH LED LIGHTS

Karachi Electric Supply Company, as a contribution to the national heritage, successfully converted the interior conventional lights at Mazar Quaid-e-Azam Mohammad Ali Jinnah, to the latest LED-based lighting technology. KESC's CEO Mr. Tabish Gauhar inaugurated the LED lights at the Mazar on Thursday, August 2, 2012. Mr. Asif Hussain Siddiqui, Director Energy Conservation Department of KESC; Mr. Mohammad Arif, Resident Engineer, Mazar Management Board and Mian Perwez Akhtar, CEO, New Allied Electronics distributor of LG lighting; were present at the inauguration ceremony. KESC has replaced 256, old/conventional lights inside the tomb and museum with the latest, green-technology-based LED lamps. The lighting effect after the transition to LEDs has magnified the grandeur of the national heritage by complementing the beauty of the mausoleum and bringing out its previously understated effect.



In the first phase, the conventional lamps of the Mazar's ground floor chandelier, basement chandelier and the museum illumination have been converted to LEDs. The former 8.32kW power consumption load has been reduced to 1.78 kW only, achieving a substantial saving of 79%. LED technology-based lights emit no radiation and are based on the green energy concept with zero carbon foot-print. Furthermore, in the second phase which is in progress with KESC's technical support and partnership of the Quaid-e-Azam Mazar Management Board, the entire exterior lighting scheme of the mausoleum will be transformed into the new Energy Efficient LED technology

