

Ref: SECK/AGM (108)/19/

Date: 07 March 2019

Mr. Abid Hussain
Executive Director, Corporate Law Division,
Securities and Exchange Commission of Pakistan
7th Floor, NIC Building
63 Jinnah Avenue, Blue Area, Islamabad

Sub: Holding of Annual General Meeting (AGM) of K-Electric for the year ended 30 June 2017 and 2018

Dear Sir

We write with reference to your letter dated 7 November 2018 in response to our letter dated 1 November 2018. We would also like to refer to the certificate dated 24 September 2018 of the then statutory auditors of the Company M/s. KPMG Taseer Hadi & Co. certifying that, as applicability of Multi Year Tariff (MYT) for K-Electric was pending adjudication with and stayed by Sind High Court, therefore, preparation and audit of financial statements for the year ended 30 June 2017 cannot be finalized. The auditors further certified that the delay in finalization and audit of financial statements for FY 2017 will also impact preparation of financial statements and audit process for the year ended 30 June 2018 (copy attached).

We would further like to refer to the notification to SECP and PSX that M/s. KPMG Taseer Hadi & Co. resigned on 13 December 2018 from their position of statutory auditors of the Company and KE Board of Directors at its meeting held on 14 December 2018 appointed M/S A.F. Ferguson & Co. and M/S BDO Ebrahim & Co. as joint statutory auditors of the Company (copy attached).

While the applicability of Multi Year Tariff (MYT) for K-Electric was still pending adjudication with and stayed by Sind High Court, the new joint auditors of the Company were immediately engaged by the Management and the audit process was commenced to complete the task at the earliest, in order to ensure that minimum time is required for finalization of financial statements post any decision by the Sindh High Court in the said law suit.

While assuring the SECP that the Company is taking all necessary actions to sort out the matter prudently and expeditiously to hold AGM for FY 2017 and 2018 as soon as possible, we would again like to reiterate that the matter is dependent on the pending suit with Sindh High Court. Accordingly, we will therefore be seeking direction from the SECP under Section 147 of the Companies Act 2017 in due course to hold AGM of the Company for FY 2017 and FY 2018. The SECP is further requested to condone the delay in releasing the quarterly / six monthly accounts for the periods ended 30 September 2016, 31 December 2016, 31 March 2017, 30 September 2017, 31 December 2017, 31 March 2018, 30 September 2018 and 31 December 2018 which are contingent upon finalization of Annual Audited Financial Statements for FY 2017 and /or 2018.

Thanking you.

Yours sincerely,


Muhammad Rizwan Dalia
Chief People Officer & Company Secretary

Encl: As above



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

The Board of Directors
K-Electric Limited (KE)
KE House, 39/B
Phase II, D.H.A.
Karachi

Our ref KA-ZQ-353

Contact Mohammad
Mahmood Hussain

24 September 2018

Dear Sirs,

AGM extension letter - Financial statements for the year ended 30 June 2017 and 2018

Further to our letter number KA-ZQ-1934 dated 29 June 2018, we have been informed by the management that NEPRA, after reviewing the Multi Year Tariff (MYT) 2017 on Government of Pakistan's reconsideration request of 26 October 2017, issued its decision on 05 July 2018. Management considers that after reconsideration, the determined tariff in its current form is detrimental to the consumer's interest and other stakeholders. Against this decision of NEPRA, the Company has filed a suit in the Sindh High Court which has passed an ad interim order and restrained NEPRA from taking any adverse actions without due process of law. As per the understanding given by management while the matter is sub-judiced, the applicability of MYT 2017 is also held in abeyance as the same can only be notified after a decision on the suit filed with Sind High Court. Since the tariff is sub-judiced, management has shown their inability to finalize and prepare financial statements for the year ended 30 June 2017. Further, according to management the Company can only convene Annual General Meeting for the year ended 30 June 2017, with the direction of SECP, when the stay is vacated by the SHC or a decision is issued. Accordingly, our audit of year ended 30 June 2017 will also be further delayed and no time for finalization of financial statements and audit for FY 2017 can be determined at this stage. This will therefore also impact upon the preparation of financial statements and audit process for the year ended 30 June 2018.

The letter is being issued on request of management of the Company.

Yours faithfully,

KPMG 



K-ELECTRIC LIMITED

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December 14, 2018, 12:15:07

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Material Information**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

The statutory auditors of the Company for FY 2017 M/s. KPMG Taseer Hadi & Company, Chartered Accountants, have resigned. The Board of Directors of the Company at its meeting held on 14 December 2018 has appointed M/s. A.F. Ferguson & Co, Chartered Accountants and M/s. BDO Ebrahim & Co, Chartered Accountants as statutory joint auditors of the Company for FY 2017 to fill the casual vacancy. You may please inform the TRE Certificate holders accordingly.

Yours Sincerely,

Email:rizwan.dalia@ke.com.pk Website:ke.com.pk