

# Notice of 110<sup>th</sup> Annual General Meeting

Notice is hereby given that the 110<sup>th</sup> Annual General Meeting (AGM) of K-Electric Limited will be held at Pearl Continental (PC) Hotel, Grand Ball Room (Ground Floor), Club Road, Karachi on Thursday, November 26, 2020 at 10:30 Hours to transact the following business:

## ORDINARY BUSINESS

1. To confirm minutes of the Annual General Meeting (AGM) held on June 03, 2020.
2. To consider and adopt the annual audited financial statements of the Company (with the Directors' and Auditors' Reports thereon) for the year ended June 30, 2020.
3. To appoint External Auditor for FY 2021 and fix their remuneration.

## SPECIAL BUSINESS

4. To consider and, if deemed fit, pass the following as Special Resolutions, under section 199 of the Companies Act 2017, with or without modification [s]:

**RESOLVED THAT**, subject to the passage of the special resolution of the members of the Company, the Company be and is hereby authorised to make investments in KE Venture Company (Private) Limited ("KEVCL") up to an amount not exceeding PKR 275 million by way of a subscription of shares in one or more tranches at the rate of PKR 10 per share and for the purposes of onward investment by KEVCL and indirect investment by KE, into other associated undertakings, including but not limited to K-Solar (Private) Limited [K-Solar]. Such investment may be made by the Company in KEVCL by December 31, 2021.

**RESOLVED FURTHER THAT**, subject to the passage of the special resolution of the members of the Company, the Company be and is hereby authorised to issue guarantees or other related commitments to guarantee the obligations of K-Solar with other counterparties. Such sponsor commitments or guarantee[s] to be issued by KE shall be issued for the purposes of or in connection with its business operations including performance guarantee[s], guarantees for securing payment obligations and other guarantees and shall be in favor of various counterparties from time to time, not exceeding PKR 100 Million having various validities based on mutual agreements between the parties.

**RESOLVED FURTHER THAT** the Company shall complete all legal requirements and procure all regulatory approvals prior to any issuance of shares in KEVCL; and prior to issuance of any guarantee on behalf of K-Solar.

**RESOLVED FURTHER THAT** the Chief Executive Officer (CEO), Company Secretary and Chief Financial Officer (CFO), acting jointly and/or severally are authorised to take all necessary actions to make the above investment, to subscribe the shares of KEVCL or to issue guarantees or provide sponsor commitments on behalf of the Company to guarantee any obligation[s] of K-Solar as an associated company of KE

5. Any other business with the permission of the Chair.

By order of the Board



**Muhammad Rizwan Dalia**  
Chief People Officer & Company Secretary  
K-Electric Limited

Karachi, November 05, 2020

**Notes:**

- (i) The Share Transfer Books of the Company, for the purpose of attending AGM, will remain closed from November 20 to 26, 2020 (both days inclusive). Transfer received at **CDC Share Registrar Services Limited (CDCSRSL), CDC House 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400** by the close of business on November 19, 2020 will be treated in time.
- (ii) A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A proxy must be a member of the Company.
- (iii) Duly completed forms of proxy must be deposited with the Company Secretary at the **KE Corporate Affairs Department, First Floor, Block-A, Elander Road Power House, off I.I. Chundrigar Road, Karachi-74200** no later than 48 hours before the time fixed for the meeting.
- (iv) Members (non-CDC) are requested to promptly notify to the Share Registrar of the Company, **CDC Share Registrar Services Limited, CDC House 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400** of any change in their addresses. All the shareholders holding their shares through the CDC are requested to please update their addresses with their participants.

CDC account holders will further have to follow the undermentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

**A. For attending the meeting**

- (i) In case of individuals, the account holders or sub-account holders, whose registration details are uploaded as per the regulations shall authenticate his/her identity by showing his/her ORIGINAL CNIC or ORIGINAL passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For appointing proxies**

- (i) In case of individuals, the account holders or sub-account holders, whose registration details are uploaded as per the regulations shall submit the proxy form as per the below requirement:
  - a) Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - b) The proxy shall produce his/her valid ORIGINAL CNIC or ORIGINAL passport while attending the meeting physically.
- (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.
- (iii) The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

- (iv) If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

### C. Postal Ballot

Members may exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of section 143-145 of the Companies Act 2017 and applicable clauses of Companies [Postal Ballot] Regulations 2018.

### Submission of copy of CNIC/NTN Certificate [Mandatory]

Members are requested to please provide valid copy of CNIC/NTN Certificate to their respective Participant/CDC Investor Account Services in case of Book Entry Form, or to Company's Share Registrar in case of Physical Form, duly quoting thereon Company's name and respective folio number.

### Transmission of Annual Audited Financial Statements and Notice of Meeting through Email [Optional]

Further, pursuant to SECP's SRD dated September 08, 2014, members desirous of having Company's financial statements/Notice of Meeting through email are requested to fill-in the requisite form available at the Company's website: <http://www.ke.com.pk>.

### STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017 (THE ACT) READ WITH REGULATION 3 OF COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017 (THE "2017 REGULATIONS")

K-Electric Limited (the "Company" or "KE") proposes to inject share capital directly in KE Venture Company (Private) Limited and indirectly in K-Solar (Private) Limited through its investment in KE Venture Company (Private) Limited. In compliance with the requirements of Section 134(3) of the Act read with Regulation 3 of the 2017 Regulations, the Company discloses the following information for the benefit of its shareholders to consider the investment decision under Section 199 of the Act in its associated companies:

#### (i) NAME OF ASSOCIATED COMPANY OR ASSOCIATED UNDERTAKING:

KE Venture Company (Private) Limited ["KEVCL"]

#### (ii) BASIS OF RELATIONSHIP:

KEVCL is an Associated Company of KE on the basis that KEVCL has Directors on its Board which are also the staff member/Directors of the Company.

#### (iii) EARNINGS PER SHARE FOR THE LAST THREE YEARS:

Not applicable to KEVCL as it has yet to commence business.

#### (iv) BREAK-UP VALUE PER SHARE BASED ON LATEST AUDITED FINANCIAL STATEMENTS:

Not applicable to KEVCL as it has yet to commence business.

#### (v) FINANCIAL POSITION (I.E. MAIN ITEMS OF STATEMENT OF FINANCIAL POSITION AND PROFIT AND LOSS ACCOUNT)

Not applicable to KEVCL as it has yet to commence business.

**(vi) DESCRIPTION OF THE PROJECT AND ITS HISTORY SINCE CONCEPTUALIZATION:**

The creation of KEVCL is part of the diversification strategy of the Company to get into allied business and create new revenue streams for KE. These investments would include, but are not limited to, initiatives taken by the company in the Renewable Energy space. The current initiatives planned are in the Utility Scale Generation landscape and in the unregulated Distributed Generation market. KEVCL is intended to be a holding company for all such investments to be made by KE.

KEVCL was incorporated on 30 July 2020 and no investments in KEVCL have been made to date. KEVCL will be a 100% owned subsidiary of KE except for the qualification shares held by its Directors. Currently, KEVCL has a paid-up capital of PKR 40 and 4 of its Directors hold one share of PKR 10 each.

**(vii) STARTING DATE AND EXPECTED DATE OF COMPLETION OF WORK:**

KEVCL was incorporated on 30th of July 2020. The company will hold investments for KE, as mentioned earlier in (vi) at its behest and should be considered as an ongoing concern with no particular date of completion.

**(viii) TIME BY WHICH SUCH PROJECT SHALL BECOME COMMERCIALY OPERATIONAL:**

KEVCL is expected to make its first investment in K-Solar (Private) Limited [“K-Solar”] in the second quarter of financial year of 2020 to 2021 (i.e. FY 20-21).

**(ix) EXPECTED TIME BY WHICH THE PROJECT SHALL START PAYING RETURN ON INVESTMENT:**

The objective of this project is to generate alternate income streams for KE, and the diversified income streams would increase KE’s presence in the energy market, hence creating value for the shareholders of KE. KEVCL will hold all the returns in foreseeable future for reinvestment in its ongoing and future projects which will enhance value of KE’s investment in KEVCL and will ultimately benefit to KE and its shareholders.

**(x) FUNDS INVESTED OR TO BE INVESTED BY THE PROMOTERS, SPONSORS, ASSOCIATED COMPANY OR ASSOCIATED UNDERTAKING DISTINGUISHING BETWEEN CASH AND NON-CASH AMOUNTS:**

KE will make equity investment in the form of cash injection in KEVCL in addition to any corporate guarantee(s) in connection with its business operations, including performance guarantee(s), being its associated company. No funds are proposed to be injected in KEVCL by any other promoter, sponsor or associated company.

**(xi) MAXIMUM AMOUNT OF INVESTMENT TO BE MADE:**

PKR 275 Million.

**(xii) PURPOSE AND BENEFITS LIKELY TO ACCRUE TO THE INVESTING COMPANY AND ITS MEMBERS FROM SUCH INVESTMENT AND PERIOD OF INVESTMENT:**

The energy markets are evolving globally and domestically and companies, including power utilities, are moving towards providing cleaner, cheaper, and more accessible solutions to their customers. KE is also intending to participate in the larger energy and allied business space by setting up and investing in KEVCL. Initial identified areas of investment are around renewables such as distributed generation and utility scale generation projects. The investments, while subject to market and commercial risks, are intended to benefit the consumers and the company as they are in line with the Governments policy on moving the power sector towards renewables. KEVCL is not only expected to be a holding company for renewables but also other allied businesses that KE may consider at a future date.

**(xiii) SOURCES OF FUNDS TO BE UTILISED FOR INVESTMENT AND WHERE THE INVESTMENT IS INTENDED TO BE MADE USING BORROWED FUNDS:**

The source of funds shall be the internal cash generated from the operations of KE.

**(xiv) JUSTIFICATION FOR INVESTMENT THROUGH BORROWINGS:**

Not applicable as no borrowings are proposed to be made in order to make the relevant equity investment directly in KEVCL.

**(xv) DETAIL OF COLLATERAL, GUARANTEES PROVIDED AND ASSETS PLEDGED FOR OBTAINING SUCH FUNDS:**

Not applicable as no borrowings are proposed to be made in order to make the relevant equity investment directly in KEVCL.

**(xvi) COST BENEFIT ANALYSIS:**

Not applicable as no borrowings to be made.

**(xvii) SALIENT FEATURES OF THE AGREEMENT(S) WITH ASSOCIATED COMPANY ON PROPOSED INVESTMENT:**

Will be available, if any, subsequently.

**(xviii) DIRECT OR INDIRECT INTEREST OF DIRECTORS, SPONSORS, MAJORITY SHAREHOLDERS AND THEIR RELATIVES IN THE ASSOCIATED COMPANIES:**

None till date other than as disclosed above.

**(xix) PERFORMANCE REVIEW OF SUCH INVESTMENT IF ALREADY MADE:**

Not Applicable.

**(xx) ANY OTHER IMPORTANT DETAILS NECESSARY FOR THE MEMBERS TO UNDERSTAND THE TRANSACTION:**

The Company shall complete all legal requirements and procure all regulatory approvals prior to any issuance of shares in KEVCL; and prior to issuance of any guarantee on behalf of K-Solar.

**(xxi) MAXIMUM PRICE AT WHICH SECURITIES WILL BE ACQUIRED:**

At face value of PKR 10 per share.

**(xviii) JUSTIFICATION IF PURCHASE PRICE HIGHER THAN MARKET VALUE OR FAIR VALUE:**

Not applicable.

**(xix) MAXIMUM NUMBER OF SECURITIES TO BE ACQUIRED:**

Twenty-seven million, five hundred thousand [27,500,000] shares to be acquired by KE in KEVCL.

**(xx) NUMBER OF SECURITIES AND PERCENTAGE THEREOF HELD BEFORE AND AFTER THE PROPOSED INVESTMENT:**

Before the investment, KE has NIL and after the proposed investment, KE would have 27,500,000 shares in KEVCL, corresponding to 100% of the share capital in KEVCL except for 4 shares of PKR 10 each issued to the initial subscribers and Directors of KEVCL.

**[xxi] CURRENT AND PRECEDING TWELVE WEEKS' WEIGHTED AVERAGE MARKET PRICE WHERE INVESTMENT IS PROPOSED TO BE MADE IN LISTED SECURITIES:**

Not Applicable.

**[xxii] FAIR VALUE DETERMINED IN TERMS OF REGULATION 5(1) FOR INVESTMENTS IN UNLISTED SECURITIES:**

Since the shares are being issued at par value and KEVCL is non-operational, this is not applicable.

**[xxiii] IN CASE OF INVESTMENTS IN THE FORM OF LOANS, ADVANCES AND GUARANTEES, FOLLOWING DISCLOSURES IN ADDITION TO THOSE PROVIDED UNDER CLAUSE [A] OF SUB-REGULATION [1] OF REGULATION 3 SHALL BE MADE :**

**(i) category-wise amount of investment;**

PKR 100 Million in the form guarantees for the financing of projects undertaken by KEVCL or by its subsidiary/associated companies.

**(ii) average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate [KIBOR] for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;**

Not applicable as no loans to be extended as part of the investment.

**(iii) rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;**

Not applicable as no loans to be extended as part of the investment.

**(iv) particulars of collateral or security to be obtained in relation to the proposed investment;**

Not applicable as no loans to be extended as part of the investment.

**(v) if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula/circumstances in which the conversion may take place and the time when the conversion may be exercisable; and**

Not applicable as no plans for conversion to securities.

**(vi) repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.**

Not applicable as no loans or advances to be extended as part of the investment.

The Directors of the Company have no interest in the above special business.