



HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY
HESCO HYDERABAD

No.HESCO/C.S/Min-112th BOD/ 1138-56

28th October, 2015

1. **Secretary**, Ministry of Water & Power GOP Islamabad.
2. **Mr. Nazar Hussain Mahar**, Chairman BOD HESCO.
3. **Prof. Dr. Muhammad Aslam Uqaili**, Director BOD HESCO.
4. **Syed Asif Hyder Shah**, Director BOD HESCO.
5. **Mr. Shafique Ahmed Mehasar**, Director BOD HESCO.
6. **Mr. Waqas Anwar Qureshi**, Director BOD HESCO.
7. **Mr. Mehmood Nawaz Shah**, Director BOD HESCO.
8. **Mr. Mahfooz Ahmed Bhatti**, Director / Joint Secretary (Dev) MoWP Islamabad
9. **Mr. Tassaduq Hussain**, Director / BOD HESCO.
10. **Mr. Akhtar Ali Randhawa**, Director / CEO HESCO.

Subject: **MINUTES OF 112TH BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

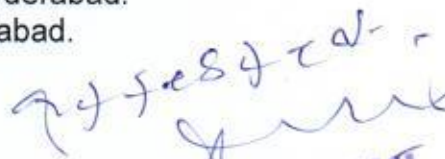
The Minutes of 112th BOD Meeting of Hyderabad Electric Supply Company Limited held on 10th October, 2015 at 12:00 noon in the Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad duly approved by the Chairman BOD through e-mail and signed by Company Secretary of BOD HESCO are sent herewith for your information please.

DA/ as above


(FAHEEMULLAH MEMON)
COMPANY SECRETARY

Cc to:

1. Chief Technical Officer, HESCO Hyderabad
2. Chief Engineer (Development) PMU, HESCO Hyderabad.
3. Chief Commercial Officer, HESCO Hyderabad.
4. Chief Operating Officer, HESCO Hyderabad.
5. Chief Engineer (P&E), HESCO Hyderabad.
6. Admn & HR Director, HESCO Hyderabad.
7. Finance Director, HESCO Hyderabad.
8. Master File.


CHAIRMAN
BOD HESCO, Hyderabad.

MINUTES OF 112TH BOD MEETING HESCO HYDERABAD

Meeting of the 112th BOD HESCO was held on Saturday, the 10th October, 2015 at 12:00 am in the Committee Room, HESCO Power Wing Colony Hussainabad Hyderabad. List of participants is attached.

The meeting started with the recitation of Holy Qura'an. The Chairman extended warm welcome to the participants of meeting and during his opening remarks emphasized the need to improve service delivery and performance of the company and behalf of the Board offered full support to the Management of HESCO to improve their quality of service and working of the organization. He suggested to formulate a robust communication system for the HESCO consumers to reach out the management to address the problems being faced by them. He further suggested that HESCO should have an IT system like emails, whatsapp, sms etc, so that people can directly lodge their complaints and share their views on other issues with the Management of HESCO so that a two way communication is established between consumers and management of the company. The Chairman also expressed his views on the importance of audit, transparency and differentiating performer and non performer workers and officers in the company to reward better performers and weed out non performers and elements involved in corruption and non transparent practices.

Prof. Dr. Muhammad Aslam Uqaili also seconded the suggestions of Chairman BOD and further added that 'Transparency' and 'Accountability' are two of the central pillars of good governance. He also presented the copy of MOU to the Board which was signed by the CEO of the Company with Ministry of Water and Power and enquired about the quarterly progress so far achieved by the company on KPIs.

Mr. Mehmood Nawaz Shah also expressed his views and informed that he has remained the Director of HESCO Board for the last few years. He invited attention to lack of qualified people in important areas as there is not a single Chartered Accountant in the company and emphasized for recruiting professional persons on posts like, Finance, Procurement and Internal Audit. He further briefed that Board should have to review the 'Company Progress' on monthly basis instead of quarterly. He suggested that Board should look the matters at the policy level like Human Resources Policy, Legal Policy etc to achieve the overall success of the company.

Suggested
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CHAIRMAN
BOD HESCO, Hyderabad.

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Mr. Shafique Ahmed Mehaser suggested to prepare 'Short Term Plan' as well as 'Long Term Plan'. This idea was also seconded by Mr. Tassaduq Hussain, the H'able Director BOD. Mr. Mehfooz Ahmed Bhatti focused on Corporate Governance Rules and emphasized that the Board as well as Management is supposed to follow it. He further briefed that Ministry of Water and Power is regularly holding monthly Progress Review Meetings of DISCOs on MOU. He further invited H'able Board Members for participation in the Monthly Progress Review meeting at Ministry of Water & Power. Mr. Waqas Anwar Qureshi suggested to look into company's current status of performance and prepare a robust future strategy.

Agenda-1 CONFIRMATION OF MINUTES OF 111TH BOD MEETING

The Secretary HESCO solicited the confirmation of minutes of 111th BOD meeting held on 23.09.2015 on which Board desired some corrections in the minutes. Board also directed that agenda and working papers among the members be circulated at least ten working days before the meeting.

Agenda-2 PERFORMANCE OF HESCO

Mr. Akhtar Ali Randhawa Chief Executive Officer, HESCO presented Performance of the Company. He stated that major issue being faced by the company is timely recovery and he brought to notice of the Board that in past there has been deliberate fudging of the figures and data which he has unearthed and has taken action against all responsible persons. The CEO presented following information before the forum.

MONTHWISE DISTRIBUTION LINE LOSSES

Month	2015-16				2014-15				Inc/Dec
	Units received	Units sold	Units lost	%age loss	Units received	Units sold	Units lost	%age loss	
July	529.5	393.7	135.8	25.6	547.6	406.2	141.4	25.8	-0.2
Aug	487.3	353.8	133.6	27.4	590.2	421.6	168.6	28.6	-1.2
Sep	505.1	367.1	138.0	27.3	573.2	416.0	157.2	27.4	-0.1
Ist Qtr	1521.9	1114.6	407.3	26.8	1711.0	1243.8	467.2	27.3	-0.5

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 BOD HESCO, Hyderabad.

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BILLING AND PAYMENT

Month	2015-16			2014-15			Inc/Dec
	Billing	Payment	%age	Billing	Payment	%age	
July	3440.6	2114.3	55.1	3000.7	2071.4	69.0	-14.0
Aug	3789.5	2564.5	67.7	3222.7	2474.4	76.8	-9.1
Sep	3604.8	2767.7	76.8	3128.8	2894.3	92.5	-15.7
Ist Qtr	11234.9	7446.5	66.3	9352.2	7440.1	79.6	-13.3

He gave an exhausted presentation which highlighted all the issues being faced by the company and assured the Board that he would take all necessary measures to improve performance of the company.

On the Question of Board, CEO HESCO replied that total outstanding amount is Rs.64.639 Billions out of which Rs. 36.333 Billions are against Govt. whereas Rs. 28.306 Billions are against private consumers. The Board also enquired the reasons for less recovery as compared to previous year, to which CEO briefed that the practice of credit adjustment without unit in respect of detection charged in previous period was carried out which has been stopped after January, 2015 due to which the recovery in terms of percentage has decreased in comparison to period of last year. He further briefed that the defaulters who were enjoying electricity from many years and paying nothing to HESCO are now being disconnected despite political pressure.

After detailed discussion the following directives were given by the board:

- The Board noticed with concern massive distribution, T&D and T&G losses and reduced recovery which are affecting the performance of the company and expected that new CEO would take corrective measures to improve working of the company.
- The Board desired that CEO to come out with a comprehensive strategy to address the issues including losses, arrears, load management, disconnection and restoration, installation of smart meters (particularly in all new connections) and eradicating the company from non performers and corrupt elements with a reward policy for performers and providing relief to customers who are making regular timely payments and brief the Board in next meeting.
- Five Year Distribution Improvement Plan be prepared immediately and put up to BOD for approval.
- Report the disciplinary action taken against the employees doing fudging in Losses / Recovery and involved in other malpractice etc in next meeting of the Board through Human Resource Committee.
- Policy for charging of detection bill be improved and presented before Risk Management Committee at the earliest and it should be ensured that no wrong detection or over charging be imposed to any consumer.

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BOD HESCO Hyderabad.

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- Practice of %age check of connections by the officers to monitor detection, premises load etc be regularly monitored (including officers who does not belongs to its jurisdiction). This be initiated from a given locality and whole area be combed in due course of time.
- Media campaign be launched to create awareness to discourage power theft, improve recovery and improve image of the company.
- Customer Service Committees be constituted at circle level including nomination of experts and representatives of customers to assess proper billing.
- Procedure for new connection be made easy and be placed on web site.
- New connections be sanctioned to the consumers who are duly verified by NADRA. No defaulting consumer should be allowed new connection.
- Regarding lodging of FIRs, the Commissioner Hyderabad and Mirpurkhas assured that they will hold meetings with SEs Operation concerned
- Company website be improved to provide timely information to consumers and it be made user friendly to enable people to approach management. All necessary forms for new meter etc be placed on website to enable people to download the same. Consumers may be encouraged to communicate online and through emails, sms etc.
- Explore and encourage Public Private Partnership for development and system improvement including recovery of amount from defaulters of those areas where recovery is difficult.
- Make policies of each categories of consumer. The consumer who pay regularly must be provided relief.
- Board may be informed about status of consumer complaints regularly during meetings.

The Board further directed that no political interference be accepted and every case be dealt with strictly on merit.

Agenda-3 **CONSTITUTION OF SUB COMMITTEES OF BOARD MEMBERS FOR (I) PROCUREMENT COMMITTEE (II) AUDIT COMMITTEE(III) HR COMMITTEE (IV) RISK MANAGEMENT COMMITTEE(V) NOMINATION COMMITTEE**

Following committees were constituted:

I. **PROCUREMENT COMMITTEE**

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|------|--|----------|
| i. | Prof. Dr. Muhammad Aslam Uqaili | Convener |
| ii. | Mr. Mehfooz Ahmed Bhatti
Joint Secretary (Dev) MoW&P | Member |
| iii. | Mr. Tassuduq Hussain
Representative of Finance Division | Member |
| iv. | Mr. Mahmood Nawaz Shah | Member |
| v. | CEO HESCO | Member |

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CHAIRMAN
BOD HESCO, Hyderabad.

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II. HUMAN RESOURCES COMMITTEE

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|------|---------------------------------|----------|
| i. | Syed Asif Hyder Shah | Convener |
| ii. | Prof. Dr. Muhammad Aslam Uqaili | Member |
| iii. | Mr. Waqas Anwar Qureshi | Member |
| iv. | CEO HESCO | Member |

III. AUDIT COMMITTEE

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|------|------------------------------------|----------|
| i. | Mr. Mehmood Nawaz Shah | Convener |
| ii. | Mr. Mehfooz Ahmed Bhatti | Member |
| | Joint Secretary (Dev) MoW&P | |
| iii. | Mr. Waqas Anwar Qureshi | Member |
| iv. | Mr. Tassaduq Hussain | Member |
| | Representative of Finance Division | |

IV. RISK MANAGEMENT COMMITTEE

- | | | |
|------|---------------------------------|----------|
| i. | Mr. Shafique Ahmed Mehasar | Convener |
| ii. | Prof. Dr. Muhammad Aslam Uqaili | Member |
| iii. | Mr. Mehmood Nawaz Shah | Member |
| iv. | CEO HESCO | Member |

V. NOMINATION COMMITTEE

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|------|-----------------------------|----------|
| i. | Mr. Waqas Anwar Qureshi | Convener |
| ii. | Mr. Mehfooz Ahmed Bhatti | Member |
| | Joint Secretary (Dev) MoW&P | |
| iii. | Syed Asif Hyder Shah | Member |
| iv. | Mr. Shafique Ahmed Mehasar | Member |
| v. | CEO HESCO | Member |

The Chairman congratulated the Heads and Members of the Committees and requested them to take necessary measures in their areas to improve working of the company.

Company Secretary informed that TORs for the Board Committees have to be prepared by the Board. It was further agreed that Mr. Mehfooz Ahmed Bhatti would help in this matter.

Agenda-4 **PROCUREMENT OF 11 NOS. 132/11.5 KV, 31.5/40 MVA, POWER TRANSFORMER AND SPARE PARTS AGAINST LOT-I OF TENDER NO./ADB TRANCHE-IV HESCO 01/2014 (ICB) UNDER LOAN NO.3096 PK FOR POWER DISTRIBUTION ENHANCEMENT INVESTMENT PROGRAMME TRANCHE-IV OPENED ON 8.7.2014**

After detailed discussions Board decided that:


CHAIRMAN
BOD HESCO, Hyderabad



- Brief Points of Agenda Item be prepared.
- Procedure of for procurement and its time line be put up to BOD.
- Current procurement in the pipeline and future requirement be put up for perusal of BOD.
- The Company must establish own Design Department.

DECISION It was decided that above item should be discussed in the Procurement Committee meeting and as per recommendation of procurement committee the same may be placed before BOD.

Agenda-5 **TENDER NO.ADB TRANCHE-III HESCO 03 RE-TENDERING OPENED ON 12.2.2015 FOR PROCUREMENT OF PLANT, DESIGN SUPPLY INSTALLATION AND CONSTRUCTION OF 01 NO. LINE BAY AT 220/132KV GRID STATION HALA ALONG WITH ALLIED 132 KV TRANSMISSION LINE HALA ROAD HYDERABAD- HALA (LOT-I) AND 01 ALONGWITH ALLIED 132 KV TRANSMISSION LINE TANDO JAN MUHAMMAD – NAUKOT (LOT-II)**

DECISION It was decided that the above item should be discussed in the Procurement Committee meeting and as per recommendation of procurement committee the same may be placed before BOD.

Agenda-6 **APPROVAL OF BOD FOR APPOINTMENT OF SKILLED TECHNICAL STAFF FOR ABC NETWORK ERECTED THROUGH WB-HESCO-ELR-05 (WORLD BANK) AND LCB-09 (ADB)**

DECISION It was decided that the above item should be discussed in the HR Committee meeting and as per recommendation of HR committee the same may be placed before BOD.

Agenda-7 **PROCUREMENT OF AAAC GREELEY CONDUCTOR AND AASC CAIRO CONDUCTOR AGAINST TENDER NO.T-161 (LOT-I & II) OPENED ON 22.1.2015**

DECISION It was decided that the above item should be discussed in the Procurement Committee meeting and as per recommendation of procurement committee the same may be placed before BOD.

The Board further directed that all above items may be put up before procurement committee at the earliest to avoid any further delay in the matter.

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CHAIRMAN
 BOD HESCO, Hyderabad.

Agenda-8 PROMOTION OF BPS-17 TO BPS-18 OFFICERS (SDOS /AD (ADMN)/AUDIT OFFICER / REVENUE OFFICER)

DECISION It was decided that the above item should be discussed in the HR Committee meeting and as per recommendation of HR committee the same may be placed before BOD.

Agenda-9 UP-GRADATION FROM BPS-17 TO BPS-18 AND FROM BPS-18 TO BPS-19 WITH RELAXATION OF MANDATORY TRAINING CONDITION.

DECISION Board decided that Training is mandatory for every employee of the company, there would be no relaxation for training, however the above item should be discussed in the HR Committee meeting and as per recommendation of committee the same may be placed before BOD.

Agenda-10 OFFICIAL MOBILE SIM FACILITY /ALLOWANCE TO SUPERVISORY STAFF, VEHICLE DRIVERS & ASSISTANT PRIVATE SECRETARIES (ATTACHED WITH BPS-20 & ABOVE OFFICERS) AND CARETAKERS.

DECISION BOD accorded approval for official mobile sim facility to Supervisory Staff and Vehicle Drivers, subject to written arrangement with the mobile company for tracking of the Sims.

Agenda-11 CREATION OF PENSION FUND ACCOUNT FOR HESCO PENSIONERS AS ALLOWED UNDER IAS-19

DECISION The item was deferred with the directions to place the same before the Risk Management Committee.

There being no further business to discuss the meeting ended with a vote of thanks to the Chair and from the chair.


(FAHEEMULLAH MEMON)
Secretary of the Company


CHAIRMAN
BOD HESCO, Hyderabad.

LIST OF PARTICIPANT WHO ATTENDED THE BOARD OF DIRECTORS MEETING
DATED 10.10.2015 AT 11:00 AM

Sr. #	Name of the Participant	Designation
1.	Mr. Nazar Hussain Mahar	(In Chair)
2.	Prof. Dr. Muhammad Aslam Uqaili	Director
3.	Syed Asif Hyder Shah	Director
4.	Mr. Shafique Ahmed Mehasar	Director
5.	Mr. Waqas Anwar Qureshi	Director
6.	Mr. Mehfooz Ahmed Bhatti	Director
7.	Mr. Tassaduq Hussain	Director (Through Video)
8.	Mr. Akhtar Ali Randhawa	Director / CEO HESCO
9.	Mr. Faheemullah Memon	Company Secretary
By Invitation		
10.	Mr. Umaid Ali Qureshi	Chief Operating Officer HESCO
11.	Mr. Manzoor Ahmed Shaikh	Chief Commercial Officer HESCO
12.	Mr. Imtiaz Ahmed Kalhor	Chief Engineer Planning HESCO
13.	Mr. Dilawar Husnain Memon	Chief Technical Officer / Chief Engineer Dev. HESCO
14.	Syed Imran Ali Askari	HR& Admin Director HESCO
15.	Lt. Cdr (R) Nadeem Akhtar	Finance Director HESCO
16.	Mr. Mehmood Ali Kaimkhani	Manager Commercial HESCO
17.	Mr. Muhammad Akhtar Qureshi	Add. Manager (P&SC) PMU HESCO


CHAIRMAN
 BOD HESCO, Hyderabad.

