



DERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY
HESCO HYDERABAD

No.HESCO/C.S/Min-115th BOD/ 1421-38

22nd February, 2016

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. **Qazi Shahid Pervez**, Director BOD HESCO
5. **Mr. Shafique Ahmed Mehasar**, Director BOD HESCO.
6. **Mr. Waqas Anwar Qureshi**, Director BOD HESCO.
7. **Mr. Mahfooz Ahmed Bhatti**, Director BOD HESCO
8. **Mr. Tassaduq Hussain**, Director BOD HESCO.
9. **Mr. Akhtar Ali Randhawa**, Director BOD / CEO HESCO.

Subject: **MINUTES OF 115TH BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

The Minutes of 115th BOD Meeting of Hyderabad Electric Supply Company Limited held on 06th February, 2016 at 11:00 am 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.

(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 115TH BOD MEETING HESCO HYDERABAD

Meeting of the 115th BOD HESCO was held on Saturday, the 06th February, 2016 at 11:00 am in the Committee Room, HESCO Power Wing Colony Hussainabad, Hyderabad. List of participants is attached at (**Annexure-I**).

The meeting started with the recitation from Holy Qura'an. The Chairman extended warm welcome to the participants of meeting.

Before starting the meeting, Chairman BOD stressed upon implementation of Board's decisions and directed the Management to comply with all decisions of previous Board meetings in letter and spirit to achieve desired goals for reforms in the company.

Agenda-1 CONFIRMATION OF MINUTES OF 114TH BOD MEETING HELD ON 19TH DECEMBER 2015.

MOVED: Prof. Dr. Muhammad Aslam Uqaili,

SECONDED: Mr. Mahfooz Ahmed Bhatti

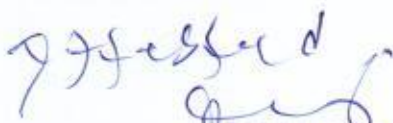
Resolved: HESCO Board of Directors confirmed the minutes of its meeting held on Saturday, the 19th December, 2015 as a true and correct record of proceedings with only correction that rate of rent for HESCO office building may be read as Rs 30.00 instead of Rs 22.00 inadvertently mentioned in minutes of 113th BOD meeting.

Agenda-2 PROGRESS ON DECISIONS MADE IN BOARD OF DIRECTORS MEETINGS.

- A. Update progress of AMR metering in Qasimabad alongwith implementation of AMR project in other areas like Latifabad and other Industrial as well as Government connections.

Board reviewed the implementation of installation of AMR meters on various Industrial as well as Government Connections.

Resolved: The Board noted with serious concern that progress in the matter is extremely slow and reiterated that action in the matter must be expedited to



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put company on right track. The Board again directed the Management of HESCO to procure maximum number of AMR meters on war footing basis as per procurement rules and regulations on competitive basis after approval by procurement committee of the Board and periodical progress be shared with Board directors through emails regularly. Board further suggested that:

- I. The installation work of remaining meters of Qasimabad Sub Division may be completed without further delay and time line and progress be shared with directors.
- II. All conventional meters of Qasimabad Division, Latifabad Division / Sub Divisions, Industrial Connections as well as Agriculture and Government Connections be replaced with AMR meters, and management to share time line for implementation plan that must be emailed to Directors of BOD with in next 15 days.
- III. While planning any future procurement activities priorities must be given to provide the meters in those areas like Thatta division where non meter supply is being provided. Board asked for action against all those officials who sanctioned non-meter supply of electricity causing huge losses to company.
- IV. AMR meters and ABC cables in areas identified by Board above must be given priority and it required that AMR meters along with ABC cables may be purchased out of HESCO funds with provision of training to HESCO staff for repairing the meters through transparent competitive bidding. The Board directed that bidding documents in the matter may be prepared and international tenders may be floated on priority basis.
- V. Management should enhance more focus on implementation of latest techniques for reading of meters to avoid consumer complaints. The Board appreciated on going programe to scan the reading of meters and transfer the data through online facility. The management assured that all meters of HESCO across the board to be scanned by March 2016.


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- VI. -- Management should upgrade the HESCO workshop to maintain and repair AMR meters and ensure proper training of HESCO staff to handle all issues pertaining to AMR meters.
- The names of electricity consumers who are involved in tempering of AMRs meter or electricity theft as well as chronic defaulters be published in newspapers as well as displayed on HESCO website.
- VII. Electricity supply to all connections through proper metering be ensured by 30th June, 2016. SDOs/EXNs must be assigned targets to install meters on ripe / pending connections and their progress be discussed in each Board meeting.
- VIII. The Board took serious notice of slow work on reconciliation of Government meters contrary to undertaking given by the Management earlier and directed that reconciliation work must be expedited and all non-essential connections must be disconnected immediately.
- IX. The issue of illegal detection bills again re-discussed and Management was informed that there are complaints from Qasimabad area that despite of installation of AMR meters huge detection bills are being sent to poor consumers, which is illegal, and against policy of BODs as well as Government. Such complaints of detections are pouring from all areas and management must handle this menace with iron hands. The CEO assured that he would look in to this and would report to Board in next meeting.
- X. The Management again was asked to improve complaint redressal system in HESCO so genuine demands of consumers are properly attended and official found involved in illegal activities are punished. The Management must ensure that online bill payments through credit cards and ATMs or any other means is available to all consumers A detailed presentation to be made by CEO during next meeting of the Board.
- XI. The Management despite earlier directive failed to produce list of outstanding performers and non-performers in HESCO. The CEO may share list with BODs by email well before next session.


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- XII. The issue of correction of bills outside system was again raised and administration was asked to buy the necessary software on urgent basis to close all holes in manipulations in form of correction of bills. Meanwhile corrections if any after revenue officers should make due process only and daily statement of correction is compiled at head office of HESCO.
- XIII. The board took serious note of no progress on recruitment of qualitative human resources such as Financial Advisor for Finance / Accounts, Chief Auditor for Internal Auditor, Company Legal Advisor and other areas like Procurement, IT through Resource Committee of the Board.

B. Status of Tariff petition filed by company along with update of operation & maintenance and capital budget for F.Y 2015-16.

Resolved: Board reviewed status of Tariff Petition for FY 2015-16 filed by the company and suggested that next Tariff Petition must be presented in 1st week of May, 2016 at Board's meeting for review and subsequently thereafter file the Tariff Petition in the end of May month of every year.

C. Review on zero load shedding at 11kv feeders and its implementation.

Board reviewed zero load shedding at 11KV feeders. The CEO informed that impact of zero load shedding policy has been very positive and he is being approached by other consumers too for extension of policy to other areas.

Resolved: (a) The Board appreciated the zero load shedding policy and desired that it must be continued and expanded however observed that there is lack of publicity by the Management on Zero Load Shedding. Board suggested that all SEs and XENs may be tasked to work hard to create such areas in their respective jurisdictions too and the Board would regularly review position.

(b) During discussion Prof. Dr. Muhammad Aslam Uqaili offered their university students service to conduct 'Public Perception Survey' with the

D. Employment of Modern Human Resource Management and Information System.

AGENDA-3 STATUS OF CONSTRUCTION OF HESCO'S OWN BUILDING.

Resolved: Board suggested that services of a well reputed consultant firm be obtained from open market through newspapers. Board suggested that Management should immediately prepare TORs which may also include concept of Green House Building, etc.

The CEO requested the Board to reconsider the issue as all other DISCOs have already sanctioned the facility to their employees. Mr. Mahfooz Ahmed Bhatti also endorsed the CEO and stated that Ministry think that matter may be reconsidered so that employees of the HESCO are not discriminated in this matter.

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Resolved: BOD HESCO unanimously decided to adopt the decision of Hon'ble Federal Minister for Water and Power GoP and approved the grant of one month's basic pay as honoraria / bonus to all categories of HESCO employees despite weak financial position subject to condition that no bonus should be allowed to officer/ official who is or has been involved in serious corruption or disciplinary inquiry or allegation or against whom LOE is pending. However If the Officer / Official is exonerated from inquiry / LOE then honoraria bonus will be allowed to him accordingly.

Agenda-5 **154 DAYS EXTENSION IN EARNED LEAVE W.E FROM 14.01.2013 TO 16.06.2014 IN RESPECT OF MR. JAVED AHMED SIDDIQUI, ASSISTANT MANAGER HESCO HYDERABAD**

The agenda item was discussed at length where and it was observed that such a simple leave matter has remained pending for a quite considerable time since 2013 causing hardship to relevant official although leave rules have clear provisions for such situations. On question of issuing LOE to official it was noticed that Management initiated action after this matter was brought in notice of the Board to seek decision as per rules. This is not a healthy practice and any LOE issued on this account may be taken back. Board enquired about leave balance, to which HR&AD HESCO replied that sufficient leave is at the credit of Officer and Board can approve the leave as per rule.

Resolved: (a) After detailed discussion and perusing the papers presented, Board approved 154 days extension in earned Leave on half average pay as recommended in working paper prepared by HESCO w.e.from 14.01.2013 to 16.06.2014 in respect of Mr. Javed Ahmed Siddiqui Assistant Manager HESCO.

(b) Management must timely resolve all genuine pending and day-to-day matters of the staff and officers to avoid hard ship to productive members of the company.

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Agenda-6 RELAXATION OF TRAINING CONDITION FOR UP-GRADATION.

The Board was informed that additional officers have become now eligible have now applied for training relaxation too.

Resolved: Board refused to allow any further addition in list already approved by the BOD in 113th meeting and directed that cases of all such additional officers may be placed before the human resource committee for scrutiny and approval.

Agenda-7 APPROVAL OF 7TH STG (SECONDARY TRANSMISSION & GRIDS) PROGRAM (2015-16 TO 2019-20) OF HESCO

This matter regarding future development programme for the company was presented to Board however it was noticed that priorities for investment proposed are not strictly according to priorities of the company. After detailed discussion, Board suggested the following:

- Resolved:**
- (a) The matter may be reexamined and reconsidered and main purpose of future investments should be primarily to increase the revenues of the company and improve quality of services in those areas where the consumers pay bills regularly.
 - (b) Areas where there may be need for improving system but consumers don't pay timely electricity bills must not be included in future investment programme as company cannot afford to make investments in the areas where recoveries are poor and there is very low return on investments.
 - (c) The sponsors were also asked to provide following information
 - Impact on Load Shedding, due to 7th STG Plan.
 - Addition of New Consumers / Load (MW).
 - How much catering the load by system.
 - Briefing / justification of all works including impact on income generation, load management and load shedding etc.


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- (d) On the advice of Prof. Dr. Muhammad Aslam Uqaili Board approved third party evaluation from relevant University Professors before submitting proposal to Ministry which may look in to need of whole system and would prioritize the proposal for future investments by keeping focus on company profits and improving quality of services The Board directed the management to provide all logistic support to Mehran Engineering University team to undertake the exercise on priority basis.

Agenda-8 RE-MODELING OF OLD JAMSHORO – NEW JAMSHORO CIRCUIT, 132 KV D/C TRANSMISSION LINE

The CEO stated that this is very important area and there are always problems in load management on account of low carrying capacity in system causing inconvenience to consumers and Hesco ground staff as such this activity costing Rs.139.727 million may be approved by the Board to improve the system.

Resolved: After detailed discussion Board accorded approval of re-modeling of old Jamshoro – new Jamshoro circuit, 132 kV D/C Transmission Line. CEO assured the Board that line would be completed by June, 2016 however the Board procurement committee through own resources or hiring a third party consultant to monitor progress and quality of the work and procurement. The cost of third party oversight may also be included in project cost.

Agenda-9 EXTENSION OF TIME IN CONSULTANCY SERVICES FOR APPROVAL OF DESIGN / DRAWINGS, CONSTRUCTION SUPERVISION, TESTING / COMMISSIONING OF 132KV GRID STATION & TRANSMISSION LINE ON TURNKEY BASIS AND ALLIES ACTIVITIES UNDER POWER DISTRIBUTION PROJECT ADB TRANCHE-2 (LOAN NO. 2727-PAK) OF M/S ENGINEERING MANAGEMENT ADVISORY SERVICES (ENMASSE) CONSULTANT FOR THE PERIOD FROM 01-01-2016 TO 28.02.2017 (INCLUDING 06 MONTHS DEFECT LIABILITY PERIOD) FOR COMPLETION OF REMAINING WORK

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Resolved: After detailed discussion Board accorded administrative approval for Extension of Time (EoT) from 01.01.2016 to 28.02.2017 including 06 months defect liability period for completion of remaining work (s) of ADB Tranche-2 (Loan No. 2727-PAK) within the contract amount, subject to payment made by M/s SEPCO Sukkur.

Agenda-10 **ADMINISTRATIVE APPROVAL FOR ESTIMATE OF SANCTION 10000 KW LOAD TO M/S PAF AT BHOLARI TALUKA KOTRI, DISTRICT JAMSHORO, THROUGH 132KW DOUBLE CIRCUIT TRANSMISSION LINE PROPOSED FROM EXISTING JAMSHORO OLD – NOORIABAD CIRCUIT HAVING LENGTH 1.47KM AND CONSTRUCTION OF PAF GRID STATION, BHOLARI.**

Board discussed agenda item in detail and enquired the availability of budget to which CEO HESCO replied that this is deposit work and funds have been made available by the PAF authorities.

Resolved: (a) BOD accorded administrative approval for estimate of sanction of 10000 KW to M/s PAF at Bholari near Nooriabad, District Jamshoro through 132KV double circuit Transmission Line proposed from existing Jamshoro old – Nooriabad circuit having length 1.47 km and construction of PAF 132KV Grid Station, Bholari amounting to Rs.190.405 million under Tariff C-3.

(b) It further resolved that procurement committee of the Board to oversight this work and all ongoing construction, development works and procurement activities and interventions being funded or being under taken by the company through Government funding or donor support by hiring expert human resources from market in addition to monitoring by the Management. The management to make all arrangements including logistics and financials to enable the procurement committee to undertake the oversight and monitoring and evaluation of all development and non development activities and interventions of the company.


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Agenda-11 APPROVAL OF PROCUREMENT PLAN FOR DISTRIBUTION, GSO & GSC ITEMS FOR THE FY 2015-16

Board discussed agenda item in detail and enquired the availability of budget to which CEO HESCO replied that sufficient budget and funds are available against the proposed plan.

Resolved: (a) Board approved the plan with condition that first priority must be given to purchase of ERP system and meters in areas where no meters are provided by the company like Thatta and some parts of Hyderabad etc, AMR meters for Industry, Agriculture, Commercial and Government connections and ABC cables to complete the work Qasimabad and in Latifabad subdivisions.

(b) Based on above (a) procurement plan for 2016 to be revised.

Agenda-12 PROCUREMENT OF AAAC GREELEY CONDUCTOR AND AASC CAIRO CONDUCTOR AGAINST TENDER NO. T-161 (LOT-I & II) OPENED ON 22.01.2015.

Prof. Dr. Muhammad Aslam Uqaili informed that during Procurement Committee meeting it was observed that Management has gone for re tendering for above procurement due to difference of approx. 16 Million in rates, which were received on higher side than the previous tender.

Resolved: (a) Board directed that action may be taken against officers / officials involved in the above process on account of negligence and inefficiency.

(b) Board further suggested that in case loss is occurred by NTDC on account of delay or incorrect technical advice in any matter refereed to them then HESCO Management should communicate with NTDC and power Ministry for compensation on behalf of the Board.

(c) With reference to the subject issue CEO HESCO presented a detailed report regarding the procurement of AAAC Greeley conductors

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[Signature]
CHAIRMAN
BOD HESCO, Hyderabad

against previous tender and further placed the comparison of rates with other DISCO / NTDC before the BOD.

(d) Board after reviewing comparison of rates with other DISCOs accorded approval of Procurement of AAAC Greeley Conductor and AASC Cairo Conductor amounting to Rs. 389,523,000/- without duty & taxes against Tender No. T-161 (Lot-I & II) opened on 22.01.2015. Board further suggested to the management that while going for tendering process every time market survey should also be done in every procurement. As decided above procurement committee to monitor and oversight the above procurement.

Budget 2015-16

The management could not place before the board the corrected figures of sanctioned amount in different categories as was advised during last meeting as such same was not discussed nor approved.

Resolved: In light of priorities fixed by the Board the sector wise functional distribution of budget may be urgently presented to Board for final approval.

PREPARATION OF PROJECT FOR DONOR SUPPORT

Mr. Mahfooz Ahmed Bhatti while discussing the investment requirement of the company for capacity building and improvement referred to project being sponsored by ADB in some DISCOs. He also mentioned the interest of some Chinese companies and investors to work in energy sector.

Resolved: (a) The Board suggested that CEO may visit the Chinese investor company having offices at Lahore who are providing support to LESCO and IESCO to working out possibility of support to HESCO on short and long term basis.

(b) A comprehensive project be prepared with in next 60 days for submission to Power Ministry for taping donor support for capacity development and Improvement in HESCO through donor's long term technical and credit assistance.


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(c) A team of HESCO officers should visit Multan, Faisalabad and Lahore to observe the innovate reform process initiated and executed in these DISCOS and report on visit be presented to Board in the next meeting.

PENDING INQUIRY IN CASE OF MR MAHMOOD NAWAZ SHAH

The pending inquiry in above matter which was required to be submitted to the Board by 5th Feb, 2016 could not be discussed due to non availability of the head of the inquiry committee.

Resolved: Secretary Board must contact with head of inquiry committee and request him to submit report to Board at earliest.

FIXED DATE FOR CONDUCTING MEETINGS OF THE BOARD.

It was noticed that due to uncertainty about exact date of board meeting's neither administration is able to prepare working paper in due time nor same are shared with Board directors in time with the result that due scrutiny of agenda items sometimes is not done properly. Moreover due to insufficient notice of meeting dates many members are found committed and fail to attend Board meetings.

Resolved: The Board unanimously decided that hence forth all future meetings of the Board to be held on first Saturday of the every month at 11.00 am and hard copy of working paper for the meetings must reach all Board directors at least one week before meeting date.

Being no additional agenda board meeting was concluded and next meeting of the Board to be held on Saturday March 5th, 2016 at 11.00 am at same venue.

On behalf of
BOD HESCO

(FAHEEMULLAH MEMON)
COMPANY SECRETARY

22/02/16.

CHAIRMAN
BOD HESCO, Hyderabad.

**LIST OF PARTICIPANT ATTENDED THE BOARD MEETING DATED 06.02.2016 AT
11:00 AM**

Present

- | | |
|------------------------------------|-------------------------------|
| 1. Mr. Nazar Hussain Mahar | (In Chair) |
| 2. Prof. Dr. Muhammad Aslam Uqaili | Director |
| 3. Mr. Shafique Ahmed Mehasar | Director |
| 4. Mr. Mehfooz Ahmed Bhatti | Director |
| 5. Mr. Tassaduq Hussain | Director (through video link) |
| 6. Mr. Akhtar Ali Randhawa | Director / CEO HESCO |

Leave of Absence

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| 7. Mr. Waqas Anwar Qureshi | Director |
| 8. Qazi Shahid Pervaiz | Director |
| 9. Mahmood Nawaz Shah (not
invited due to pending inquiry) | Director |

Company Secretary

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| 10. Mr. Faheemullah Memon | Company Secretary |
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By Invitation

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| 11. Mr. Raham Ali Otho | Chief Operating Officer HESCO |
| 12. Mr. Saeed Ahmed Dawach | Chief Commercial Officer
HESCO |
| 13. Mr. Abdul Sattar Memon | Chief Engineer (P&E) HESCO |
| 14. Mr. Imran Ali Askari | HR & Admn Director |
| 15. Lt. Cdr (R) Nadeem Akhtar | Finance Director HESCO |
| 16. Mr. Muhammad Akhtar Qureshi | Chief Engineer (PMU) HESCO |
| 17. Mr. Mehmood Ali Kaimkhani | Manager (Commercial) HESCO |
| 18. Mr. Muhammad Ayub Afridi | Manager (HRM) HESCO |

Faheemullah Memon
22/02/16.

Aggrieved
CHAIRMAN
BOD HESCO, Hyderabad