



HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY

HESCO HYDERABAD

No.HESCO/C.S/Min-116th BOD/1538-54

02nd - May, 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 116TH BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

The Minutes of 116th BOD Meeting of Hyderabad Electric Supply Company Limited held on 02nd April, 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 116TH BOD MEETING HESCO HYDERABAD

Meeting of the 116th BOD HESCO was held on Saturday, the 02nd April, 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 of verses from Holy Qura'an. The Chairman welcomed all the directors and emphasized the need to timely implementation of the decisions made by the Board of directors to ensure smooth sailing of company from current difficult situation. He regretted that so far progress is very slow on reform related decisions and unless there is substantial progress on major areas including ERP, AMR and ABC cabling like things, there would hardly be even hope of better performance by the company in days to come. The Chairman on behalf of the Board extended a warm welcome to Qazi Shahid Pervaiz (Commissioner Hyderabad) who has newly joined the HESCO Board as Non-Executive Director and hoped that HESCO would benefit from his vast and varied experience in various senior appointments in civil services and that his presence on the Board would immensely contribute to the quality of decisions.

Agenda-1 CONFIRMATION OF MINUTES OF 115TH BOD MEETING HELD ON 06TH FEBRUARY 2016

MOVED: Prof. Dr. Muhammad Aslam Uqaili

SECONDED: Mr. Waqas Anwar Qureshi

Resolved: HESCO Board of Directors confirmed the minutes of its meeting held on Saturday, the 06th February, 2016 as a true and correct record of proceedings.

On the suggestion given by Mr. Waqas Anwar Qureshi, suggested that next Board meeting be held at Karachi however majority of Board members was of the opinion that it would result in substantial financial expenditure as a large number of management staff have to be moved to make arrangements and provide support to CEO on different items during consideration by the Board. It was decided that for time being meetings to continue to be held at current venue at Hyderabad as usual.

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CHAIRMAN
BOD HESCO, Hyderabad

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

The Board made a number of decisions concerning reforms in the company but regretted to note that implementation there upon is not being made and directed that HESCO management should comply with all decisions without further delay and submit their status through e-mail to all Directors for their perusal.

However, Board reviewed the implementation status of following decisions:

A. REVIEW OF RECONCILIATION OF GOVERNMENT CONNECTIONS

Board showed their concern on Government of Sindh (GoS) billing and its payment. Chairman BOD informed that the matter was discussed with Secretary Energy, Government of Sindh who very kindly has nominated Mr. Azizullah Memon (Director Reconciliation) for presentation on re-conciliation of bills of GoS with HESCO.

Board welcomed Mr. Azizullah Memon from GoS and reviewed the reconciliation of Government connections.

Resolved: After detailed discussion Board proposed the following:

- a) The decisions made during the meeting between Government of Sindh & HESCO, SEPCO held under the chairmanship of Secretary (Water & Power) Government of Pakistan on 17-03-2016 at Islamabad be implemented in letter and spirit.
- b) The agreed outstanding amount as already decided shall be cleared by the Government of Sindh by 30th June, 2016.
- c) HESCO should immediately evaluate the total cost of installation of AMR meters and communicate agreed cost of installation of AMR meters to GOS for its early payment by 15th April 2016.
- d) The AMR meters should immediately be procured and timeline be prepared for installation of AMR project. HESCO management should

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BOD HESCO, Hyderabad.

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complete installation work before June, 2016 as promised. CEO HESCO assured that within a week's time an estimate would be sent to Secretary Energy, Govt. of Sindh for payment.

- e) HESCO to invite pre-bids without any delay and get detailed presentation from the reputable firms. Board requested Prof. Dr. Muhammad Aslam Uqaili and Qazi Shahid Parvaiz Commissioner Hyderabad to participate in presentation on AMR and help HESCO management in this matter. Furthermore CEO HESCO assured that tenders will be published in newspapers upto 15th April, 2016.
- f) Govt. of Sindh would be requested to publish disowned connections in major newspapers and intimate HESCO to take further action as per rule. A copy of same may also be communicated to HESCO BOD through email.
- g) Sindh Government may issue notices to their bulk supply consumers and request HESCO to provide individual connections instead of bulk supply. HESCO may take further action to provide individual electricity connection as per criteria given by GoS to the occupants of the Government residential colonies from 1st July, 2016 provided if action cited at Para (f) above is undertaken by the GOS and cost of new house to house meter is borne by GOS.

While discussing on power theft, Board suggested to lodge FIRs against the culprits according to new law. Management responded that police department is not cooperating with HESCO officers and is reluctant to lodge FIRs due to which submitted applications are lying pending at police stations. Board requested the Honorable Board Director Qazi Shahid Pervaiz (Commissioner Hyderabad) to support HESCO in this matter.

B. STATUS OF NON-METER SUPPLY AND ACTION PLAN

Board reviewed in detailed the status of 3475 Nos. of non-meter supply connections and action plan by the HESCO management.

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Resolved: The Board suggested that:

- All non-meter supply connections should immediately be metered as per target given in the meeting upto 15th May, 2016 to avoid further loss to company and their status be emailed to Honorable Board Directors on weekly basis.
- CEO should ensure to replace defective meters within this month to make correct billing to consumers. CEO assured that all defective meters will be replaced with healthy one upto 15th April, 2016.
- Regarding the information provided by CEO HESCO on theft of electricity by High ranked Sindh Government officials, Board suggested that such officials who are involved in theft of electricity with evidence be presented to the Board in next BOD meeting to take up the matter to their high-ups.
- The Chairman suggested to issue a letter on behalf of the Board Chairman to the Inspector General of Police Sindh in connection with the lodging the FIRs against the culprits involved in theft of electricity.

C. POSITION OF COMPUTERIZATION IN HESCO AND CURRENT STATUS INCLUDING ERP

Board reviewed in detailed the position of computerization in HESCO and current status including ERP and regretted slow progress in this important matter as virtually no progress has been made despite continuous emphasis and focus by BOD in the matter

Resolved: The Board suggested that:

- ERP decision maybe immediately implemented without further delay.
- By considering the fact that there is no expertise in HESCO, Board granted approval to hire Consultants for ERP and suggested to call bids from open market on immediate basis.

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- A high level monitoring committee comprising of Board Directors headed by Qazi Shahid Pervaiz and members as Mr. Waqas Anwar Qureshi, Prof. Dr. Muhammad Aslam Uqaili and a representative from Ministry of Water and Power be constituted for effective ERP implementation in HESCO.

D. PROGRESS ON AMR IN QASIMABAD SUBDIVISIONS / DIVISION AND LATIFABAD SUBDIVISIONS / DIVISION UP GRADATION SYSTEM

Board reviewed the implementation of installation of AMR meters in the areas of Qasimabad, Latifabad, on Industrial and other connections and expressed their serious concern over non implementation of installation of AMR meters despite of repeated directions in every meeting and directed HESCO management to expedite the progress of installation of AMR meters on fast track basis.

Resolved: The Board suggested that:

- All directives issued in previous Board meetings regarding Procurement and Installation of AMR meters on various connections be implemented and detailed plan be emailed to Board Directors on weekly basis.
- On the report of theft in AMR meters given by CEO HESCO, Board suggested to lodge FIRs against consumers who are involved in tempering of AMRs meters.

E. LIST OF PERFORMING AND NON PERFORMING OFFICERS / OFFICIALS

HESCO management presented a brief on action taken against officers on poor performance and informed that letter of explanations (LOEs) have been served upon the officers / officials whose performance is not upto the mark.

Resolved: After detailed discussion Board suggested that:

- Before taking any action upon the officers / officials all codal as well as legal formalities must be completed and further suggested to analyze the efficiency of legal department to avoid court cases at latter stage.

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- Management should prepare a system to check the efficiency of employees and their weightage on some parameters to which the employees be incentivized or punished.

F. CONSUMER'S FACILITATION SYSTEM

Board reviewed the Consumer's facilitation system in HESCO in detailed.

Resolved: Board suggested:

- To improve complaint redressal system in HESCO so genuine demands of consumers are properly attended.
- SMS, WhatsApp, Skype and other techniques may be introduced to facilitate the consumers in lodging their complaints.
- A senior officer from HESCO may be given responsibility to monitor and resolve the consumer's complaints at once.

G. PUBLIC PRIVATE PARTNERSHIP

By considering least achievements in recovering of electricity dues from dead defaulters by the HESCO management,

Board decided to outsource for the collection of outstanding dues from HESCO consumers. Board suggested that there is dire necessity to endeavor public to understand that more revenue generation would resulted in improved electricity services in their area.

Resolved: Board suggested that:

- HESCO would hire third party / private companies from open market for collection of outstanding amount from the consumers for which the dues are for more than one year. Board directed that HESCO should also correct their own wrong billing mistakes before giving task to third party.

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CHAIRMAN
BOD HESCO, Hyderabad.

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- HESCO may prepare TORs for the above purpose within 10 days and invite firms in next Board meeting to give detailed presentation on recovery of arrears from dead defaulters.
- Recovery of city Hyderabad, Qasimabad and Latifabad may be outsourced to private companies for collection of outstanding dues in first phase and on successful results the task may be expanded throughout the HESCO region.

H. INQUIRY REPORT ON ALLEGED THEFT OF ELECTRICITY BY MAHMOOD NAWAZ SHAH


The Report in the matter was presented by Mr. Waqas Qureshi and Board discussed the matter in detail. Board noticed that Mr. Mahmood Nawaz Shah has been an outspoken and active member of the board and due to such events board could not utilize his services. The CEO assured the Board that action against Mr. Mahmood Nawaz Shah was not based on personal vendetta and it was just a chance that monitoring team been to site.

Resolved.

1. The Board decided that since matter is already in the Court of Law as such let it be decided by the Court and any decision by the Court would be binding on both parties and till decision in the matter Mr. Mahmood Nawaz Shah would not be invited in Board meetings.
2. The Board however directed that in future before lodging any FIR against any director of the Board in such unfortunate situation prior permission of the Board must be obtained.

I. STATUS ON SCANNING OF METERS

Board appreciated the efforts made by the HESCO management to drive this technique for correct billing through 'Mobile Meter Reading' and suggested that an appreciation alongwith a reward be given to the officer for this project.

Attended:

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Resolved: After detailed discussion Board suggested that:

- 100% mobile meter reading would be carried out in every sub division to eliminate complaints of wrong billing.
- Bring the meters to accessible height for reading through mobiles. Reading through mobiles may be completed as per target given in the meeting i.e upto the end of April, 2016.
- Vigilance teams may be constituted to check the mobile reading taken by metering staff and their record may backup in MIS directorate for at least three years.
- Meter Readers may be given task to obtain the mobile number as well as e-mail address of the consumer to let them inform their meter reading taken on the date.
- On completion of the above tasks an incentive would be approved by the BOD in favour of officers/ officials involved in the project.

J. POLICY ON HEALTH COVERAGE AND DEATH AND SERIOUS INJURY COMPENSATION TO TECHNICAL / OPERATIONAL STAFF LIKE LINEMAN etc

Before reviewing the Health Policy, Qazi Shahid Pervaiz the Convenor of HR Committee of BOD informed that they had meetings with HESCO management and informed that there is need to update the existing HR Policy to modernize the organization which should be based on transparent, fair and flexible parameters to which the employees may trust. Board appreciated the efforts taken by Qazi Sahib and offered full support in the matter. Board further suggested that:

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CHAIRMAN
BOD HESCO, Hyderabad.

- A committee comprising upon Mr. Tassaduq Hussain, Mr. Waqas Anwar Qureshi and headed by Qazi Shahid Pervaiz be constituted to develop robust HR system / policy in the HESCO organization.
- On Health & Safety issues HESCO management shall make every effort for prevention of fatal / non fatal accidents of line staff and would prepare comprehensive plan in the matter for approval of the board at earliest.
- To avoid incidents during monsoon, flood and rainy season as well as day-to-day safety issue HESCO to launch a media campaign for information of consumers as well as staff to create awareness on safety issues.
- HESCO would contact private Insurance Company to prepare comprehensive policy for the company's employee on fatal / non-fatal accidents while performing their duties and same may be presented to Board during next meeting

K. PROJECT FOR DONORS

Board suggested HESCO management to identify the need and prepare project accordingly. Board suggested that request be expedited for grant from various donor agencies for maximum support. Board further suggested that in case donors do not offer grant to support HESCO projects then ADB or World Bank and other donors would be asked for financing through Ministry of Power.

Agenda-3 TO CONSIDER AND APPROVE BOD MEETING FEE / OTHER EXPENSES FOR BOD DIRECTORS FOR ATTENDING BOD MEETINGS

Decision The item was deferred with the directions to place the same in the next BOD meeting.

Agenda-4 PROGRESS REVIEW MEETING

Board appreciated CEO's efforts for decreasing line losses and improving recovery of the company as compared to the corresponding period. Board further

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 BOD HESCO, Hyderabad.

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suggested that HESCO may continue to make efforts to improve the distribution system/ services, to control the line losses and to improve recoveries of dues in an efficient way to strengthen financial health of the company.

Resolved: Board suggested that:

- The targets given by NEPRA may strictly be followed.
- Lodge FIRs against power thieves and detailed report be submitted in next Board meeting. Board further suggested for communicating letters to Inspector General of Police, Sindh on behalf of Board to support in lodging FIR in each District under the territorial of HESCO.
- Zero load shedding policy be continued as per criteria fixed for the purpose and comprehensive media campaign be started to the awareness of the HESCO consumers to get maximum support of the people of the area. The Board desired that each operational SE be given targets for extending no load shedding areas in their jurisdiction which may be regularly monitored by the Board.
- The Board further desired that strict disciplinary action may be taken against the elements in the HESCO who are involved in corruption or mismanagement and public support in the matter may be obtained.

APPROVAL OF REMAINING AGENDA THROUGH CIRCULATION

Due to want of time following items of the agenda could not be discussed and Board decided that the same may be circulated to directors for consideration and approval.

1. Ratification for Restoration of commuted portion of pension.
2. Promotions from BPS-17 to BPS-18 of HESCO Officers (SDOs / ROs / Field Store Managers / Audit Officer & Assistant Manager (Civil).
3. Advance payment for non-fatal accident cases.
4. Creation / Sanction of the posts for Circle Level Computer Centre @ Mirpurkhas under newly created Operation Circle HESCO Mirpurkhas.

5. Creation / Sanction of posts for 118 HESCO Help Line Service Centre.
6. Policy for Allotment of official accommodation in HESCO Colonies.
7. Creation of one No. post of Sub Divisional Officer (Civil) and allied staff at Nawabshah and sub ordinate civil staff at newly created circle Mirpurkhas.
8. Formulation of policy to charge market rent / standard rent to the occupants of HESCO Colonies residing illegally / beyond entitlement / beyond admissible period / belonging to other companies.
9. Revision of monthly upper monetary limit of mobile SIM facility.
10. Consensus & approval of BOD HESCO is required in respect of M/s Fimcotex Industries (Pvt) Limited for procurement of 12.5 MW (Gas Based) power under NCPP Policy Framework on the following points.
 - a. Ex-post facto approval for issuance of letter of intent (LOI) and its revalidation.
 - b. Approval of interconnectivity cost estimate of Rs. 12.98 million (approx) on power producer expenses.
 - c. Authorization of CEO HESCO for submission of Power Acquisition Request (PAR) in NEPRA.
 - d. Authorization of CEO HESCO for signing of Power Purchase Agreement (PPA).
11. Construction of new civil works of different offices in HESCO.

Being no further business to transit the Board meeting ended with vote of thanks to chair.

On behalf of
BOD HESCO


(FAHEEMULLAH MEMON)
COMPANY SECRETARY


CHAIRMAN
BOD HESCO, Hyderabad.

LIST OF PARTICIPANT ATTENDED THE BOARD MEETING DATED
02.04.2016 AT 11:00 AM

Present		
1.	Mr. Nazar Hussain Mahar	(In Chair)
2.	Prof. Dr. Muhammad Aslam Uqaili	Director
3.	Mr. Waqas Anwar Qureshi	Director
4.	Qazi Shahid Pervaiz	Director
5.	Mr. Tassaduq Hussain	Director (through video link)
6.	Mr. Akhtar Ali Randhawa	Director / CEO HESCO
Leave of Absence		
7.	Mr. Shafique Ahmed Mehasar	Director
8.	Mr. Mehfooz Ahmed Bhatti	Director
9.	Mr. Mehmood Nawaz Shah	Director (Not invited due to pending inquiry)
Company Secretary		
10.	Mr. Faheemullah Memon	Company Secretary
By Invitation		
11.	Mr. Raham Ali Otho	Chief Operating Officer HESCO
12.	Mr. Saeed Ahmed Dawach	Chief Commercial Officer HESCO
13.	Ch: Ahmed Raza Khan	Chief Engineer (M&S) HESCO
14.	Syed 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
By Special Invitation		
18.	Mr. Azizullah Memon	Director (Reconciliation) / Coordinator Sindh Government Energy Department

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CHAIRMAN
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