



HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY

HESCO HYDERABAD

No.HESCO/C.S/Min-121st BOD/ 1826-44

02nd September, 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. Mehmood Nawaz Shah, Director BOD HESCO.**
10. **Mr. Asad Ullah, Director BOD / CEO HESCO.**

Subject: **MINUTES OF 121st BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

The Minutes of 121st BOD Meeting of Hyderabad Electric Supply Company Limited held on 11th August, 2016 at 11:00 a.m in the Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad duly signed by the Chair 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.

MINUTES OF 121ST BOD MEETING HESCO HYDERABAD

Meeting of the 121st BOD HESCO was held on Thursday, the 11th August, 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 the Holy Qura'an. The Chairman welcomed all the Board of Directors.

Agenda-1 CONFIRMATION OF MINUTES OF 120TH BOD MEETING

Moved: Mr. Waqas Anwar Qureshi

Seconded: Qazi Shahid Pervez

Decision HESCO Board of Directors confirmed the 120th BOD minutes of its meeting held on Saturday, the 02nd July, 2016 as a true and correct record of proceedings.

Agenda-2 NOMINATION OF MR. ASAD ULLAH CHIEF EXECUTIVE OFFICER HESCO AS DIRECTOR BOD HESCO

Company Secretary, BOD HESCO informed the Board that as per office order issued by the Ministry of Water and Power Government of Pakistan Islamabad vide No. 1(261)/12-CEO-HESCO-D-11 dated 02.08.2016, Mr. Asad Ullah, Director (Operations), has taken over the charge of Chief Executive Officer HESCO on 03.08.2016 (A.N). By virtue of holding the post of CEO HESCO, he has also to work in the capacity of Director BOD HESCO in place of his predecessor Mr. Akhtar Ali Randhawa, the then CEO HESCO.

Decision The Board accorded approval in favour of Mr. Asad Ullah, CEO HESCO to work in the capacity of Director BOD, HESCO in the best interest of work. The Board appreciated the efforts taken by Mr. Akhtar Ali Randhawa as CEO HESCO in reducing lines losses and enhancement of recovery



position. Board further appreciated the services rendered by Mr. Akhtar Ali Randhawa for Hyderabad Electric Supply Company (HESCO) and cooperation extended to the Board by him.

DIGITIZATION OF 11 KV FEEDERS

Board again asked CEO HESCO to provide all kind of support to team to achieve the target as per agreed date of 31st December, 2016. Management assured to provide full support to the team to achieve the task.

Bench Mark: Board Noted Progress of 204 feeders (7297 kms) on 10.08.2016.

AMR METERING

Board also reviewed the progress of AMR Metering and its procurement plan on which it was informed that the tender was opened on 20.07.2016 in the presence of tender opening committee, but no any firm participated in the tender. CEO HESCO assured that the AMR meters will be procured within three month's time period.

The Board emphasized that it is important to make the Qasimabad Sub Division successful as the complete package including AMR meters is installed free of cost to HESCO. Therefore, board reviewed the performance of the Sub Division. The Board also desired that this agenda item should be kept in every meeting.


Agenda-3 **APPROVAL OF BOD FOR ISSUING DIFFERENT CONTRACT AMENDMENTS AS PER THE PROJECT REQUIREMENT IN CONTRACT AGREEMENT AGAINST TENDER NO. HESCO-ELR-05 DATED 16.12.2011. SUPPLY & INSTALLATION OF AERIAL BUNDLED CABLE (MAINS & SERVICES), HARDWARE/ACCESSORIES AND THEIR TESTING & COMMISSIONING. DISMANTLEMENT OF LT CONDUCTOR, SERVICE AND REPLACEMENT OF EXISTING METERS WITH STATIC METERS INCLUDING TRANSPORTATION & SAFE HANDLING AND RETURN OF DISMANTLED MATERIAL TO THE DESIGNATED STORES OF HESCO**



Decision

Since the agenda item was already discussed in length before the procurement committee as well as in the previous Board meetings and considering that most of the questions have already been attended by PMU HESCO to adequate level hence keeping in view the ongoing scenario the BOD HESCO approved the following points:

- a. To issue an amendment in the contract showing below:
 - Reducing the scope of work showing re-fixing of already installed energy meters instead of new energy meters at same / changed locations
 - HESCO will deduct Rs.114/- per meter from the invoices of M/s Tyco due to their lesser efforts while readjusting the already installed meters instead of new ones.
 - M/s Tyco will give the additional essentially required 10,000 No. clamps at the volunteer reduced cost of US \$118,462 (Rs.12.32 million) instead of US \$183,200 (Rs.19.052 million)
- b. To issue an amendment in the contract by reflecting / incorporating the actual additional quantity of the hardware items consumed during the execution of the project with a monetary value of US \$264, 497. Payment will be made in PKR.
- c. To issue an amendment in the contract mentioning the freezing of the open job orders on as is where basis so as to close the contract with M/s Tyco. All the pending works of these open job orders will be carried out and completed by HESCO. M/s Tyco will only be paid for the particular completed portions of the open job orders, (which were carried out by Tyco) as per the mentioned unit rates in the contract subject to the final verification of the works by PMU / ELR team.
- d. To issue an amendment in the contract by incorporating the revised enhanced scrap rates which will give the financial benefit to HESCO.

A handwritten signature in black ink, appearing to be 'Mr. [unclear]', is written on the page.


- e. To issue an amendment in the contract for making the payment of the balance US \$ portion of the contract in PKR as per the current exchange rate i.e. 1\$=104 PKR or the prevailing exchange rate at the time of the payment (whichever is lesser).
- f. Earmarking a budget allocation of PKR 315 million under PSDP (ELR) works for the FY 2016-17 so as to make the payment to M/s Tyco for their unpaid invoices.
- g. Authorizing CEO to hire 16 No. persons (skilled labour) on the basis of daily wages to complete the balance untouched / open job orders of the Tyco contract by December, 2016.

Board further suggested that Contract with M/s Tyco be closed immediately and all the left over works be completed by HESCO by hiring 16 No. persons on daily wages basis for this specific purpose. Once the job is accomplished the contract with these 16 persons will be terminated. All the left over work must be completed within six (06) months once the daily wages persons are hired along with the required technical and financial support.

Agenda-4 APPROVAL OF PROCUREMENT PLAN FOR DISTRIBUTION, GSO & GSC ITEMS FOR THE FINANCIAL YEAR 2016-17

Decision The BOD accorded approval of the procurement plan for Distribution, GSO & GSC items for the financial year 2016-17 including T&P as recommended by the Procurement Committee during its 16th meeting and further suggested to inform in the next Board meeting about the benefits of procurement plan in terms of system improvement, reduction in losses and other reforms.

Agenda-5 APPROVAL FOR REPAIR OF DAMAGED DISTRIBUTION TRANSFORMERS 25 KVA (WITHOUT AMENDMENT NO. 5) THROUGH ONE YEAR RATE CONTRACT AGAINST TENDER NO. 1091/2016 OPENED ON 12.04.2016

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a series of loops and a final upward stroke.

Decision As per recommendations of procurement committee of BOD, the Board accorded approval to place the rate contract for repair of distribution transformers (without AMENDMENT No.05) through one year contract to the following firm:

25 KVA AGAINST TENDER NO. 1091/2016 OPENED ON 12.04.2016				
Sr. No	Name of Firm	Qty: (Nos.)	Unit Rate (Rs.)	Amount (Rs.)
1	M/s. Ajmer Electric Engineering Works (Pvt.) Ltd Hyderabad	100	67,000	6,700,000
+17% G.S.T :				1,139,000
GRAND TOTAL :				7,839,000

(Rupees: Seven million, eight hundred thirty nine thousand only)

Agenda-6 **APPROVAL FOR REPAIR OF DAMAGED DISTRIBUTION TRANSFORMERS 50 KVA (WITHOUT AMENDMENT NO. 5) THROUGH ONE YEAR RATE CONTRACT AGAINST TENDER NO. 1092/2016 OPENED ON 12.04.2016**

Decision As per recommendations of procurement committee of BOD, the Board accorded approval to place the rate contract for repair of distribution transformers (without AMENDMENT No.05) through one year contract to the following firms:

50 KVA AGAINST TENDER NO. 1092/2016 OPENED ON 12.04.2016				
Sr. No.	Name of Firm	Qty: (Nos.)	Unit Rate (Rs.)	Amount (Rs.)
1	M/s. Ajmer Electric Engineering Works (Pvt.) Ltd Hyderabad	200	96,500	19,300,000
+17% G.S.T :				3,281,000
GRAND TOTAL :				22,581,000

(Rupees: Twenty-two million, five hundred eighty one thousand only)



Agenda-7 **APPROVAL FOR REPAIR OF DAMAGED DISTRIBUTION TRANSFORMERS 100 KVA (WITHOUT AMENDMENT NO. 5) THROUGH ONE YEAR RATE CONTRACT AGAINST TENDER NO. 1093/2016 OPENED ON 12.04.2016**

Decision As per recommendations of procurement committee of BOD, the Board accorded approval to place the rate contract for repair of distribution transformers (without AMENDMENT No.05) through one year contract to the following firms:

100 KVA AGAINST TENDER NO. 1093/2016 OPENED ON 12.04.2016				
Sr. No.	Name of Firm	Qty: (Nos.)	Unit Rate (Rs.)	Amount (Rs.)
1	M/s. Al-Madina Electric Engineering Works Hyderabad	450	135,500	60,975,000
+17% G.S.T :				10,365,750
GRAND TOTAL :				71,340,750

(Rupees: Seventy one million, three hundred forty thousand & seven hundred fifty only)

Agenda-8 **APPROVAL FOR REPAIR OF DAMAGED DISTRIBUTION TRANSFORMERS 200 KVA (WITHOUT AMENDMENT NO. 5) THROUGH ONE YEAR RATE CONTRACT AGAINST TENDER NO. 1094/2016. OPENED ON 12.04.2016**

Decision As per recommendations of procurement committee of BOD, the Board accorded approval to place the rate contract for repair of distribution transformers (without AMENDMENT No.05) through one year contract to the following firms:



200 KVA AGAINST TENDER NO. 1094/2016 OPENED ON 12.04.2016				
Sr. No.	Name of Firm	Qty: (Nos.)	Unit Rate (Rs.)	Amount (Rs.)
1	M/s. Transwave Sadiqabad	300	216,000	64,800,000
2	M/s. Ajmer Electric Engineering Works (Pvt.) Ltd Hyderabad	300	211,500	63,450,000
TOTAL :				128,250,000
+17% G.S.T :				21,802,500
GRAND TOTAL :				150,052,500

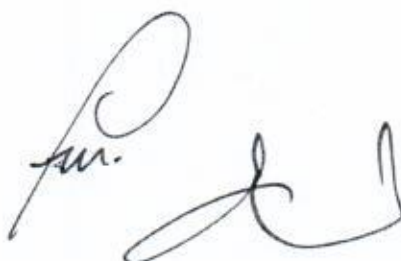
(Rupees: One hundred fifty million, fifty two thousand & five hundred only)

Agenda-9 **HIRING OF GPS SUPERVISOR ON DAILY WAGES FOR PLANNING & ENGINEERING COMPUTER CENTER (PECC) PROJECT UNDER CHIEF ENGINEER (P&E) HESCO**

Decision Board appreciated the efforts made by CEO HESCO who has already spared daily wages employees from various field formations of HESCO to PECC Project under CE (P&E) HESCO to achieve desired task. Board suggested that the given task must be completed in due course of time. CEO HESCO assured that full support to the team will be given.

Agenda-10 **INCENTIVE FOR EMPLOYEES WORKING IN / WITH PLANNING & COMPUTER CENTER FOR DIGITIZED MAPPING OF DISTRIBUTION NETWORK UNDER PLANNING & ENGINEERING HESCO**

Decision: On the recommendations of HR Committee, BOD approved a Bonus as a special reward for concerned staff of HESCO working on digitization of distribution network. It was decided that 50% incentive of Bonus be paid during the process of the work and 50% will be paid after completion of work to the employees who worked for digitization of feeders. However, Board decided that in future such incentives should be linked to the milestones and KPIs.



Agenda-11 **AGE RELAXATION IN FAVOUR OF MR. KASHIF AHMED CHILD OF DECEASED HESCO EMPLOYEE APPLIED FOR EMPLOYMENT IN HESCO AGAINST WAPDA EMPLOYEE'S CHILDREN RESERVED QUOTA**

Decision: On the recommendations of HR Committee of BOD HESCO, the Board granted the age relaxation for the period of 09 years, 10 months & 20 days in favour of Mr. Kashif Ahmed, the child of a deceased HESCO employee, keeping in view of sub-para b(i)(A) of the authority's office order No.1724-75/MD/PEPCO/DDA/A-435 dated 27.02.2008 for his employment under Category "C" of order of merit, under the reserved WAPDA Employee's Children Quota.

Agenda-12 **AGE RELAXATION IN FAVOUR OF MST. ZAINUB WIDOW OF DECEASED HESCO EMPLOYEE APPLIED FOR EMPLOYMENT IN HESCO AGAINST WAPDA EMPLOYEES CHILDREN RESERVED QUOTA**

Decision On the recommendations of HR Committee of BOD HESCO, the Board granted the age relaxation for the period of 01 year, 09 months & 29 days in favour of Mst. Zainub, the widow of a deceased HESCO employee, keeping in view of para (c)1 of the authority's office memorandum No. GM(H)/HRD/A-548/2376-2400 dated 23.09.2010 for her employment under category "C" of order of merit, under the reserved WAPDA Employee's Children Quota.

However, the Board enquired from Management to clarify in the next Board meeting that there are no similar cases other than mentioned at Agenda Item 11 & 12 respectively.

Agenda-13 **TRAINING COURSES FOR PROMOTION / TIME SCALE UP-GRADATION OF EMPLOYEES FROM BPS-5 TO 16 AS REPLACEMENT OF DEPARTMENTAL PROMOTION EXAMINATION (DPE)**

A handwritten signature in black ink, appearing to be 'An.' followed by a stylized flourish.

Decision The Board adopted the instructions received from PEPCO. However, Qazi Shahid Pervez and Prof. Dr. Muhammad Aslam Uqaili desires to visit Regional Training Center (RTC), HESCO along with CEO and HR & Admn Director HESCO to take briefing from College Principal on training of officials.

Agenda-14 **AMENDMENT IN PAKISTAN WAPDA (POWER WING) TECHNICAL SUB ORDINATE (LINE STAFF) SERVICE / RECRUITMENT RULES, 1971**

Decision BOD HESCO has been pleased to adopt the Pakistan WAPDA (Power Wing) Technical Subordinate (Line Staff) Service Rules, 1971 by allocating promotion quota to Diploma Holders (three years DAE-Electrical / Electronics) Lineman-I, Lineman-II and Assistant Lineman for the post of Line Superintendant-II on proportionate basis. The recruitment/ promotion of Line Superintendant-II would henceforth be made on the following criteria:

- a) 45% of the sanctioned posts of LS-II shall be filled in the through direct induction from open market having 3 years Diploma of Associate Engineering in Electrical / Electronics (1st Division) from recognized Polytechnic institute.
- b) 32% from among LM-I (Non-Matriculate) on seniority-cum fitness basis.
- c) 13% induction from amongst LM-I (Non-Matriculate or illiterate) on seniority-cum-fitness basis.
- d) 2% induction from amongst LM-I possessing three years DAE-Electrical / Electronic on seniority-cum-fitness basis.
- e) 3% induction from amongst LM-II possessing three years DA-Electrical / Electronic on seniority-cum-fitness basis.
- f) 5% induction from amongst ALM possessing three years DAE-Electrical / Electronic on seniority-cum-fitness basis.



Agenda-15 **PAYMENT OF ADVERTISEMENT / PUBLICITY CAMPAIGN BILLS FOR RS. 7,532,933/- AND RS. 23,329,460/-**

Decision Board accorded approval for payment of Rs. 30,862,393/-, to the advertising agencies as desired by the Ministry of Water & Power, Government, of Pakistan Islamabad. Board further advised that Ministry Water & Power may be approached to first enquire about the regional advertisement that takes place to understand the way share is calculated on HESCO. Second, the media should be engaged to highlight the positive **News of HESCO** on the electronic / print media also.

Agenda-16 **PAYMENT OF ADVERTISEMENT / PUBLICITY CAMPAIGN BILLS FOR RS.7,288,400/-**

Decision The Board accorded approval for payment of Rs. 7,288,400/-, to the advertising agency as desired by the Ministry of Water & Power, Government, of Pakistan Islamabad.

Agenda-17 **TARIFF PETITION REGARDING CONSUMER END TARIFF FY 2016-17 (INCLUDING O&M BUDGET)**

Decision Board after discussion approved the following tariff petition regarding consumer end tariff FY 2016-17.

Description	Revised Tariff Petition Amount FY 2016-17	Revised Tariff Petition Rates FY 2016-17
Units Received		5,138
Units Lost		1,300
Units Lost		25.29%
Units Sold		3,839
Power Purchase Price [Adjusted]	47,251	12.31



Distribution Margin		
O&M	9,874	2.57
Depreciation	1,339	0.35
Provision for bad debts	3,263	0.85
RORB	3,072	0.80
Financial cost-Interest expense	5,261	1.37
Other Income	(628)	(0.16)
Impact of Disallowed Losses	0	-
Total DM	22,180	5.78
Average Tariff Rate	69,431	18.09

Detail of O&M Budget FY 2016-17

Description	Unit	Amount
Salaries, Wages & Benefits	[Mln Rs]	4,914
Retirement Benefits	[Mln Rs]	3,496
Total Employees Cost	[Mln Rs]	8,411
Repair & Maintenance	[Mln Rs]	631
Travelling	[Mln Rs]	280
Transportation	[Mln Rs]	257
Others	[Mln Rs]	296
Total O&M	[Mln Rs]	9,874

- Board has desired to nominate a member of the board to attend the hearing of tariff petition with the representative of HESCO.



- There was a long discussion on the Tariff petition. The Board was of the view that in past the Tariff of HESCO was not accepted, which has created financial difficulties. The tariff remains the basis of revenue for the HESCO. It is therefore important to understand the reasons for not accepting the tariff. These aspects need to be incorporated in the Tariff petitions for future to make the tariff petition strong. While the Ministry of Water & Power has moved to the court on Tariff issue. It will be important to fight that case with solid basis.

Agenda-18 **ENGAGEMENT OF STAFF ON DAILY WAGES**

- Decision** i) Board endorsed the recommendations of HR Committee of BOD made during its 12th meeting and decided to dispense with all the 18 Nos. daily wages employees appointed by the CEO HESCO. Board directed HR&Admn Director, HESCO to prepare agenda item for approval of BOD through HR committee for recruitment of absolutely essential staff on daily wages through advertisement in a transparent manner after observing all legally required formalities.
- ii) Board further directed HR & Admn Director, HESCO to submit complete details of previous 537 appointments made on daily wages against 428 posts (BPS-1 to 15), in the next Board meeting which resulted to put HESCO in an embarrassing position such as litigations, investigations & enquires by the Federal agencies like FIA / NAB etc.

Ex-Agenda-1 **HIRING OF 16 NOS. PERSONS (SKILLED LABOUR) ON DAILY WAGES FOR ABC PROJECT UNDER CHIEF ENGINEER (DEVELOPMENT) PMU HESCO**

A handwritten signature in black ink, appearing to be 'M. J. D.' or similar, written in a cursive style.

Decision i) In the light of recommendations of HR Committee, BOD HESCO approved the hiring of 16 persons (skilled labour) on daily wages on walk-in interview basis. This hiring would be specifically for ABC project with time constraints as such the persons having the specific work experience on World Bank HESCO ABC installation project would only be considered and then shortlisted for final hiring (through walk-in interview), to complete the leftover work of M/s Tyco for replacement of existing distribution network of bare conductor with ABC in HESCO.

ii) BOD further advised CEO HESCO that a dedicated group of another 16 HESCO officials (Linemen / ALM) should be engaged to learn and work with the crew being hired for the ABC project. This will ensure the sustainability of the ABC system and gradually more and more HESCO officials will be trained for the ABC project.

Ex-
Agenda-
02

**PROCUREMENT OF STATIC SINGLE PHASE ENERGY METERS AGAINST
TENDER NO. 1089/2016 OPENED ON 12.04.2016**

In response to Chief Executive Officer, HESCO letter No. CEO/HESCO/5462 dated 29.07.2016 addressed to Board of Directors, HESCO the matter regarding procurement of Static Single Phase Energy Meters against Tender No. 1089/2016 opened on 12.04.2016 was discussed in detailed.

Decision Keeping in view the Chief Executive Officer, HESCO letter No. CEO/HESCO/5462 dated 29.07.2016 the BOD HESCO accepted the discounted offer of M/s KBK Electronic (Pvt.) Ltd, Lahore i.e FCS unit price Rs. 1240/- (excluding GST) for (Lot-III & IV) & also allowed to procure the remaining lots i.e (Lot-I, II & V) on the same discounted price offered by the other participated firms during the extended validity period, in the best interest of company as it will save Rs. 410 per meter.



Decision The Board adopted for revision of basic pay scales and allowances for HESCO employees w.e. from 01.07.2016.

Being no additional agenda Board meeting was ended with vote of thanks to chair and from the chair.



(Prof. Dr. Muhammad Aslam Uqaili)

CHAIRMAN



LIST OF PARTICIPANTS ATTENDED THE 121st BOARD MEETING**DATED 11.08.2016 AT 11:00 am**

Present		
1.	Prof. Dr. Muhammad Aslam Uqaili	(In Chair)
2.	Qazi Shahid Pervez	Director
3.	Mr. Waqas Anwar Qureshi	Director
4.	Mr. Tassaduq Hussain	Director (through video link)
5.	Mr. Asad Ullah	Director / CEO HESCO
6.	Mr. Mehfooz Ahmed Bhatti	Director (through video link)
7.	Mr. Shafique Ahmed Mahesar	Director
8.	Mr. Mehmood Nawaz Shah	Director
Leave of Absence		
9.	Mr. Nazar Hussain Mahar	On Leave
Company Secretary		
10.	Mr. Faheemullah Memon	Company Secretary
By Invitation		
11.	Mr. Muhammad Akhtar Qureshi	Chief Engineer (PMU) HESCO
12.	Syed Imran Ali Askari	HR & Admn Director HESCO
13.	Lt. Cdr (R) Nadeem Akhtar	Finance Director HESCO
14.	Mr. Pervaiz Afzal	Manager (Planning)

